



Local Government Assistance Program (LGAP), Romania

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Final Report, Year 3

Project Activity for the Period October 1, 2001 – September 30, 2002
with Fourth Quarter Summary of Activities/Results/Obstacles

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Table of Contents

List of Abbreviations	iii
Introduction	1
Objectives and Key Accomplishments of the Third Year Program	2
Challenges, Constraints, and Sustainability Issues	10
Fourth Quarter Summary of Activities/Results/Obstacles	12
1.0 Policy Reform & Decentralization Enhancements.....	12
2.0 Institutionalization of Training	16
3.0 Association Development	19
4.0 Municipal Infrastructure Credit, Municipal Finance and Budgeting, Public Management, and Information Technology/MIS (including Integrated Assistance Program).....	22
5.0 Economic Development.....	32
Revisions to the Work Plan and Level of Effort.....	36
Administrative and Financial Information	37

Appendices

Appendix A	Cumulative Project Outputs and Final Results
Appendix B	LGAP Status Reports for Each Target Local Government Unit
Appendix C	List of Project Documents for the Third Year
Appendix D	Consultants Certified as Part of LGAP

List of Abbreviations

AACJR	Association of Romanian County Council Presidents
ACoR	Association of Romanian Communes
ADECJ	Association of County Council Economic Directors
AMR	Romanian Association of Municipalities
ANCIC	Association of Citizen Information Centers
ANIAP	National Association of Information Technology Specialists
ANL	National Housing Agency
AOR	Association of Romanian Towns
ASGCJR	Association of Romanian County Council Secretaries
CCN	cooperating-country national (Romanian)
C/EE	Central and Eastern Europe
CICAP	Center for Municipal Credit Advice and Assistance
CIP	capital investment planning
CO	contracting officer
CTO	cognizant technical officer
DO	delivery order
EBRD	European Bank for Reconstruction and Development
ED	economic development
EEP	Energy Efficiency Projects
EU	European Union
FALR	Romanian Federation of Local Authorities
GIS	geographic information system
IFI	international finance institution
INA	National Institute for Administration
ISPA	Instrument for Structural Policies for Pre-Accession [environmental program funded by EU]
IT	information technology
LED	local economic development
LGAP	Local Government Assistance Program
LOE	level of effort
LPA	local public administration
M&E	monitoring and evaluation
MIS	management information system
MOU	Memorandum of Understanding
NCACC	NC Association of County Commissioners
NGO	nongovernmental organization
PPP	public-private partnership
RFP	request for proposals
RIP	Stability Pact Regional Infrastructure Project
RTC	Regional Training Center
RTI	RTI International
SAPARD	Special Accession Programme for Agriculture and Rural Development (European Union grant program)
SNSPA	National School of Political Studies and Public Administration
SWOT	strengths, weaknesses, opportunities, threats

TA	technical assistance
TCN	third-country national
TOT	training of trainers
UMP	Urban Marketing Practicum
UNCJR	Union of County Councils
UPLED	Urban Planning for Local Economic Development
USAID	United States Agency for International Development

Introduction

From July 1999 through September 2001, RTI managed the USAID Local Government Assistance Program (LGAP) in Romania to support Strategic Objective 2.3: *Local governments are making responsive choices and implementing them accountably and effectively*. A final report for the first two years' activity was submitted to USAID in February 2002.

In October 2001, RTI and its sub-contractors, the Center for Urban Development Studies at the Harvard Graduate School of Design; Michael A. de Angelis & Associates, Inc.; and ARD, Inc., initiated a third year of LGAP assistance organized around the five component areas of the Task Order and work plan:

- Policy Reform and Decentralization
- Training Institutionalization
- Association Development
- Municipal Infrastructure Credit, Municipal Finance/Budgeting, Public Management, and Information Technology/Management Information Systems (MIS)
- Economic Development

During the first two years, the program component areas operated independently while still taking advantage of opportunities for overlap in specific localities or project activities. In the third year, the program pursued a more integrated approach to support improvements in both local government capacity and in the policy and institutional environment in which Romanian local government operates. To implement this approach, LGAP created the Integrated Assistance and Training Program for eight local governments (see Component IV) and developed a set of core principles to guide the implementation process: results orientation, sustainability, participation of local stakeholders, partnering and leveraging, and management excellence.

RTI is pleased to submit this final report for the third year of the LGA Program in Romania, in accordance with USAID contract number EEU-I-800-99-00014-00. The report is organized according to the following sections:

- Introduction
- Objectives and Key Accomplishments of the Third Year Program
- Challenges, Constraints, and Sustainability Issues
- Fourth Quarter Summary of Activities/Results/Obstacles
- Revisions to the Work Plan and Level of Effort
- Administrative and Financial Information

The material in this document is organized in accordance with the reporting requirements in USAID's Local Government Assistance indefinite quantity contract with RTI and follows the reporting format requested in the Task Order and the approved work plan for year three. In addition, by agreement with the USAID COTR, a narrative summary of activities, results, and obstacles for the project's fourth quarter are contained within the body of this final report (see Section 4).

Objectives and Key Accomplishments of the Third Year Program

Section 2 contrasts key accomplishments in each component area with the objectives stated in the work plan for the third year. This description of project activity is not meant to be comprehensive but to provide a look at significant project results that have fostered changes in how Romanian local governments and associations conduct their activities. Cumulative project outputs and final results for the third year are presented in Appendix A using the activity monitor and results report tables from the LGAP Monitoring and Evaluation (M&E) Plan.

Component I: Policy Reform and Decentralization

RTI's initial work on this component followed from the identification of specific policy areas that would yield the most benefit from investment of project resources. To enhance the effectiveness of targeted assistance, LGAP staff sought to substantively involve Romanian stakeholders and to coordinate with other USAID- and donor-funded programs. Key activities included the creation of a policy review process to guide the consolidation and improvement of decentralization measures mandated over the previous three years. Policy reform work was organized through an integrated strategic plan that RTI developed with its Romanian partners and submitted to USAID. The plan targeted priority areas of interest and proposed specific activities and interventions to address the priority areas.

Key Accomplishments:

- Early in the program's third year, LGAP organized a roundtable that included representatives from all Romanian national and professional associations. Participants identified four key decentralization issues that will form the basis of a local government legislative agenda: (1) development of local government associations, (2) decentralized public services, (3) electronic government, and (4) the 2003 budget development process.
- LGAP staff facilitated a working group meeting on fiscal decentralization on February 1-3, 2002 to assess and identify major barriers in the current legislative framework as well as the implications of new fiscal decentralization measures taken by central government. Working group members (representing ministries, parliamentary commissions, and local government associations) completed a legislative inventory and framework assessment, including recommended changes and draft proposals.
- In April 2002, LGAP staff completed the strategic plan for decentralization policy reform in Romania entitled *Strategic Directions for Integrated Policy Reform Support – Fiscal Decentralization, Municipal Credit, and Municipal Services*. The report represented the output of three working groups that brought together national ministry officials, association leaders, and policy experts over a four-month period to develop a common agenda and key proposed actions over the short- and medium-term planning horizons.

- The second C/EE Comparative Experience Seminar took place on August 3-4, 2002. Featured public officials and experts from C/EE countries provided presentations on the comparative experience of decentralization policy reform in the region, particularly in Poland and Hungary. Through case studies and comparative experience in designated areas of interest, Romanian decision-makers gained a better understanding of the process of decentralization reform as well as the challenges involved in implementation.
- LGAP staff completed an analysis of the effects of recently passed legislation and regulations concerning local public administration for the 2001-2002 parliamentary year. Copies of the analysis were given to the Romanian Federation of Local Authorities (FALR) leadership to help strengthen the organization's legislative analysis capacity.

Component II: Training Institutionalization

The centerpiece of this component was the development of a strategy for institutionalization of high quality training for Romanian public servants. In achieving this objective, the LGAP staff was charged with transferring responsibility for the continuation of successful LGAP training from the first two project years to Romanian training institutions and local government associations. The LGAP strategy used three prongs: (1) promotion of training standards among training partners, (2) strengthening the training management and marketing capacity of local government associations, and (3) create a training-of trainers (TOT) program to strengthen the quality of training delivered by Romanian Regional Training Centers. (RTCs). An adjunct activity to support the strategy was the development of a framework for closer cooperation between RTCs and associations.

Key Accomplishments:

- FALR hosted meetings of its members to encourage the development of complementary training strategies and asked LGAP to oversee the process. This sharing of perspectives was key to the establishment of a process for institutionalization of local government training in Romania.
- LGAP conducted TOT courses on a broad range of topics for participants from RTCs and ten professional associations. Training topics included financial management, human resource management, municipal service delivery, and local economic development. All ten associations have developed a training plan, with assistance from LGAP and in cooperation with FALR and the RTCs.
- Romanian local government associations delivered 27 workshops, more than half of which were conducted in cooperation with the RTCs. The associations and the RTCs used materials and training standards developed as part of LGAP as well as trainers from LGAP training-of-trainers (TOT) courses. The RTCs and associations are continuing their efforts to improve cooperation.
- LGAP conducted a competitive process for the selection and certification of 25 consultants. The list of certified LGAP/USAID consultants has been distributed to the RTCs, local government associations, public administration faculties, USAID

contractors, and other international programs, and was posted on the LGAP web site. All of these consultants provided technical assistance to target cities under the Integrated Assistance Program (see below Component IV).

- A team comprising RTC and professional association trainers, public administration faculty, representatives of nongovernmental organizations (NGOs), and technical experts produced a state-of-the-art citizen participation training manual. The manual includes a sample agenda, trainer notes, presentation materials such as overhead transparencies and handouts, case studies, and exercises drawn from Romanian experience. The manual has been distributed to RTCs, associations, and NGOs in both hard copy and electronic form, and is available in both English and Romanian from the LGA web site.

Component III: Association Development

The activities organized under Component III followed directly from a strategic framework with following elements: (1) identification, representation, and advancement of local government decentralization interests, (2) representation of Romanian associations in the international sphere, and (3) improvement in the breadth and quality of Romanian associations' products and member services. As an umbrella organization encompassing all national associations, FALR was selected as the lead implementing organization. However, LGAP worked directly with professional associations to develop mission statements and standards, to create standing committees, and to clarify their relationships with FALR. LGAP staff also trained, mentored, and facilitated the certification of Romanian consultants from the ranks of professional association members. Finally, LGAP developed and implemented a grant program that offered qualifying associations both general support grants (hiring staff and setting up operations) and special purpose grants (policy and legislative action, increased member services).

Key Accomplishments:

- In December 2001, local government association leaders met to discuss the roles and functions of the Romanian associations and to develop a basis for cooperation. Subsequently, the Association of Citizen Information Centers (ANCIC) and the National Association of Information Technology Specialists (ANIAP) signed a protocol of cooperation with the Federation of Local Authorities (FALR), representing a major step toward unity and improved coordination among local government associations.
- To improve communication with members, the Romanian Association of Municipalities (AMR) and the Association of County Finance Directors (ADECJ) worked with LGAP to initiate the publication of monthly newsletters. FALR now releases a weekly electronic bulletin that describes recent accomplishments and lists upcoming events.
- With LGAP assistance, (ANIAP) became a major force for influencing national- and local-level policy, legislation, and standards. ANIAP assisted the Ministry of Information Technology to write implementing regulations for Ordinance 24 (electronic tax collection). The Ministry of Public Administration used the model

proposed by ANIAP as the basis for mandating that all county administrations develop information technology inventories. The ministry also facilitated a contractual relationship between the Association of County Council Presidents and ANIAP to develop standards and software for consolidating local and national budgets.

- AMR created a number of standing committees and established rules of internal operations, by-laws, policies and agendas. LGAP assisted AMR to organize initial meetings for three of the standing committees. FALR established eight standing committees.
- The LGAP grant program was a key mechanism for establishing a strategic framework for the development of Romanian associations. Each association was asked to formulate the organization's mission and objectives before applying for a grant. In addition, LGAP staff and consultants worked one-on-one with association leaders to help them clarify their organizational strategies and proposed programs in preparation for submitting grant applications.
- ANIAP hosted its first annual professional conference on September 6-9, 2002, with over 170 persons in attendance. Sponsors included 24 private information technology firms. ANIAP has been nominated to serve as the e-government representative for the National Council. The U.S. Ambassador has referred to ANIAP as a "success story" and recommended that other NGOs learn from this model.

***Component IV: Municipal Infrastructure Credit, Municipal Finance/
Budgeting, Public Management and Information Technology/
MIS (including Integrated Assistance Program)***

The overall objective of the LGAP Integrated Assistance Program was to raise the level of practice in key areas of municipal management in selected local governments, using training and technical assistance expertise developed during the LGA program's first two years. The program design provided a means for target local governments to become models and mentors for the Romanian local government sector toward the end of the LGAP third year as well as for subsequent USAID programming. As part of the Integrated Assistance Program, LGAP created teams of Romanian, third county national (TCN), and ex-pat consultants to deliver training to the target local governments. LGAP staff identified a group of Romanian consultants with particular expertise in the Component IV topic areas, and designed a process for certification. Appendix D contains a list of Romanian consultants certified by USAID during the third year of LGAP.

LGAP staff developed three products in preparation for the start-up of the Integrated Assistance Program:

- Program strategy for delivering integrated assistance
- Organizational structure for implementing the program, and

- Selection criteria for choosing target local governments¹

Eight cities were selected to participate in the program (Baia Mare, Brasov, Oradea, Focsani, Targu Mures, Mangalia, Pitesti, and Ploiesti). At least three LGAP program managers conducted on-site assessments and proposed specific projects for each city. The LGAP Chief of Party signed a Memorandum of Understanding (MOU) with each participating local government that detailed how the LGA Program and the city would cooperate to implement the projects. The LGA Program Coordinator monitored project activity in each city and provided monthly reporting of progress. A sampling of projects include:

- Financing of an investment project through local public debt (Oradea, Pitesti, Ploiesti, Baia Mare, Targu Mures)
- Development of an information master plan (Oradea)
- Managing an information technology contract with a private vendor (Ploiesti)
- Selection and implementation of a computerized tax collection system (Pitesti)

Certain products and processes resulting from the Integrated Assistance Program were also useful for the implementation of other LGAP components. These include case studies and recommendations for policy reform and legislative action; participation of city professionals in TOTs and refinement of training materials; and, the development of local government experts who could serve as consultants for their peers via their professional associations.

Appendix B contains detailed end-of-project status reports for the eight cities that participated in the LGAP Integrated Assistance Program.

Component IV-A: Municipal Infrastructure Credit

LGAP's main activity in this sub-component of the Integrated Assistance Program was assistance to selected Romanian cities with good potential for receiving loans from international finance institutions, such as EBRD and World Bank. To support this activity, LGAP staff coordinated their efforts with other USAID projects and developed participation mechanisms for involving citizens in issues such as tariff restructuring, infrastructure investment planning. LGAP also worked closely with the Center for Municipal Credit Advice and Assistance (CICAP) to develop and implement a strategy for transferring and institutionalizing training and technical assistance related to municipal credit issues.

¹ The following selection criteria were used:

- v previous positive experience with LGAP
- v potential for results within one year
- v mayor's commitment to improving municipal performance
- v good relationship between the mayor and local council
- v good inter-departmental cooperation; willingness to involve the community
- v willingness to consider borrowing
- v sound financial management; potential for synergy with other USAID and donor programs
- v potential for promotion of results and best practices.

Key Accomplishments:

- In the first quarter of the project, LGAP provided organizational support and leadership for a municipal finance/credit working group comprised of ministry officials, local government association leaders, and policy experts. During the third year, the working group reviewed all changes in the legislative framework that had occurred in the 12 months prior to project start-up. To support the working group, LGAP staff developed a paper that identified all changes in the legislative and regulatory environment for 2000-01 and proposed needed amendments to the law on municipal securities.
- The Center for Municipal Credit Advice and Assistance (CICAP) was established through joint cooperation between LGAP and the Romanian Bankers' Institute in the first phase of the program. In the third year, LGAP staff and consultants conducted training for CICAP staff and assisted CICAP to develop the general outline of a business plan. Training focused on cutting edge topics such as the issuance of municipal bonds. CICAP subsequently hosted a meeting to promote the capital investment projects of LGAP target municipalities to the banking community. As a result, two banks, Reiffeissen and Alpha Bank, initiated negotiations with several of the municipalities.
- LGAP staff assisted the city of Oradea to review documents related to a loan application for funds to modernize its recreation facilities. The analysis revealed that the loan fund guarantees would diminish the city's capacity to borrow the funds necessary for other priority projects, such as a ring road. LGAP worked with the city to establish a new approach for improving the revenue stream from the proposed recreation services.
- LGAP staff members established good cooperation with the Stability Pact Regional Infrastructure Project (RIP) during the third year of LGAP. LGAP provided RIP with information from the project database, including financial indicators and creditworthiness analyses. LGAP staff also solicited information from RIP regarding its project in Constanta that supported the LGAP municipal services policy work.

Component IV-B: Municipal Management

Program activity in this sub-component focused on the delivery of technical assistance in public management to the eight cities participating in the Integrated Assistance Program. The main vehicle for implementation of the management assistance was a series of seminars with the objective of introducing and institutionalizing modern management techniques and models into Romanian local government practice. LGAP also worked to build capacity in professional associations to provide assistance and training in program budgeting.

Key Accomplishments:

- In the third year, LGAP hosted a series of three management seminars for mayors and top executive staff in the eight target local governments. The seminar series focused on dissemination of management tools that have been successful in other

C/EE countries, such as team building and human resource management and featured speakers from Poland and other countries. The final seminar in the series took place on August 1-2, 2002 and introduced strategic management, the budgetary calendar, and management by objectives. The audience included the top management representatives of the eight integrated assistance cities, as well as representatives of the RTCs and other training institutions.

- Assisted by LGAP, the Romanian Association of Municipalities (AMR) held a project management workshop on July 4-7, 2002. The objective of this workshop was to improve participants' knowledge of project management and methods of accessing financial resources. The target group included representatives from the RTCs and the economic, technical, and urban planning departments of municipalities involved in the LGAP Integrated Assistance Program.
- LGAP staff assisted the city of Giurgiu to conduct a program budgeting training session on July 3, 2002. The audience included the heads of the departments within Giurgiu city hall and the representatives of the public institutions financed from the local budget. Key agenda topics included program budgeting, involvement of stakeholders in developing the program budget, the role of citizens, and advantages and disadvantages of the current budgetary system versus program budgeting.

Component IV-C: Information Technology

As in the other two sub-components, the LGA program worked through local consultants and professional associations to train local government officials in the use of information technology and management systems for local government decision-making, planning, and communication. Supporting activities included the development of system requirements for integrated budget and accounting, and tax billing/collection systems tailored to Romania. LGAP staff also lobbied Romanian and international software developers to create software products and information systems based on the system analyses conducted during the project's third year.

Key Accomplishments:

- LGAP's support of a successful lobbying campaign by ANIAP for volume discounts on Microsoft software saved participating local governments over \$400,000. As a result, other professional associations, such as the Association of County Finance Directors (ADECJR) and the Union of County Councils (UNCJR) joined with ANIAP to seek professional discounts for their members.
- LGAP and ANIAP set a new standard for information technology training in Romanian local government. Under a cost-sharing scheme, nearly 20 local governments invested their own funds in Microsoft-certified professional training. Sixteen training series were implemented for 25 information technology professionals in a period of less than a year.
- LGAP completed system analysis documentation for a system that combines tax/revenue management, budgeting, and accounting functions. The results of this task were presented at the ANIAP Annual Conference on September 8, 2002, and

distributed to the major software firms active on the local government information technology (IT) market.

- Although Oradea has led Romanian municipalities in the development of fiscal zoning policies, past policies have been based on insufficient analysis and no modeling. The software application for fiscal zoning modeling developed by LGAP staff for the city of Oradea now allows city officials to model fiscal policies before implementing them. As a result of this pilot effort the work done on fiscal zoning in Oradea is likely to be replicated by other cities, given the high level of interest in this activity.
- Focsani and Targu Mures implemented new financial reporting systems developed by LGAP consultants. These two LGAP target cities are now models for local government managers wanting to move from mere data automation to management information systems.

Component V: Economic Development

The Economic Development Component built on the extensive work accomplished in the first two years of LGAP in the three UPLED cities.² In addition, LGAP staff developed a comprehensive local economic development plan to deliver assistance to cities participating in the Integrated Assistance Program. Local consultants teamed with LGAP staff and consultants to deliver training and technical assistance in areas such as project management and funding; public-private partnership development; citizen participation in economic development; and effective teamwork, communication, negotiation, and lobbying. LGAP also provided an analysis of the economic development activities implemented during the entire three years of the program and provided recommendations to USAID for future programming.

Key Accomplishments:

- The LGAP-supported Oradea Metropolitan Cooperation project involving eight local governments demonstrated that successful intergovernmental cooperation can occur in Romania. This project serves as a prototype for other Romanian cities to achieve common objectives through joint action.
- LGAP organized the third Urban Marketing Practicum (UMP), which was held July 17-19, 2002, in Sinaia. The practicum exposed participant cities to a variety of mechanisms for promoting the competitive advantages of their cities and marketing their potential for economic development. Participants included representatives of Mangalia, Pitesti, Ploiesti, and Targu Mures. The cities of Brasov, Zalau, Gheorgheni, and Baia Mare sent observers.
- The Ministry of Development and Forecasting and the Ministry of Public Works, Transportation, and Housing jointly initiated an annual fair to showcase municipal

² Led by staff from the Harvard University School of Design, LGAP implemented the Urban Planning and Local Economic Development (UPLED) program with three Romanian cities: Oradea, Focsani, and Iasi. The centerpiece of the program was a series of three seminars to identify and prioritize key challenges and to support stronger linkages between urban planning/management and economic development in UPLED cities.

development projects in September 2002, with the Association of Municipalities as coordinator.

- The Local Councils of the cities of Pitesti, Ploiesti and Mangalia set up local economic development (LED) advisory boards to provide input for creating local development strategies and implementing related projects.
- A roundtable to review the priority development projects of LGAP target cities was very successful. Realtors, investors, developers, bankers and representatives from the Ministries of Public Works and Development and Forecasting joined the event and had interactive discussions with the mayors and city team members. The Capital Review published a listing of the priority projects and two other local government journals are planning to publish documents from the roundtable related to the cities' development strategies and priority projects.
- LGAP staff created an economic development options paper for USAID that reviewed the methodology, obstacles, and success factors of LGAP's economic development component, and provided recommendations for economic development programming in future projects. As part of this process, LGAP organized a workshop with key professionals and specialists from ministries and local governments to define the key issues of local economic development in Romania.

Cross-Component Technical Assistance and Training

- Romanian consultants under the Municipal Infrastructure Credit Component worked with Economic Development Component consultants on the public-private partnership (PPP) framework for the Strand Park revitalization project in Pitesti.
- Economic Development Component staff, working in cooperation with citizen participation consultants, developed a structure for local economic development advisory groups.

Challenges, Constraints, and Sustainability Issues

Overall, Romanian cities and their local government associations, working with the help of RTI and subcontractor partners, met or exceeded the objectives of the Delivery Order. In practical, effective partnerships implemented on the ground, together we 1) provided and made use of technical assistance and training, 2) administered grants, and 3) carried out the work plan with such success that we met or exceeded the many targets set for this short, ambitious, and complex third year of LGAP. The activity and results monitoring tables of Appendix A show the results in detail in the task and subtask format of the Delivery Order.

Challenges and Constraints

The project team responsible for LGAP's success dealt professionally and effectively

with the constant challenges and constraints inherent in development projects with many and diverse stakeholders. The association and municipal partners delivered on their promises for the most part in a timely manner and with sufficient attention and personnel for the tasks, where consultant or partner staff failed to meet performance standards, RTI took the standard measures to correct the situation. The most prominent challenges and constraints top LGAP implementation were:

COP Change Required by Spouse's Illness

COP David Dunbar's family medical emergency required that RTI find a replacement COP during spring 2002. It was a major challenge during the January – March period to provide interim COP coverage for Mr. Dunbar when he had to attend his spouse in the US. RTI filled the gap with two management experts and former COPs who had worked in Romania on LGAP since 1999: home office LGAP manager, Al Sharp, and citizen participation consultant, Eric Chetwynd. In April Ted Hazard came on board as COP and continued through the end of contract, September 30.

Approval of the Work Plan 1/3 Way through the Project Year

USAID approved the 5th version of the work plan on 20 January 2002, four months into the 12-month project. While the differences in the 5th iteration of the plan from the 2nd version were so minor as to be characterized as cosmetic, during this long review period the CTO warned RTI against making TA commitments to city partners until the plan was fully approved. RTI, nevertheless, kept national policy analysis, association support and grant administration, and city assessment tasks on track so that creditable work was done in all technical areas of the Delivery Order.

CCN Consultant Approvals Delayed

The Delivery Order for year three required that the CO in Budapest approve all rates for CCNs, an administrative step that caused lengthy delays in initiating TA activities. In the large majority of cases the CTO approved these consultants for the technical task and the consultants' daily rates were justified by salary history and below the USAID-established ceilings. Four of the five groups of CCNs submitted from March through June took 4-6 weeks for approval. Despite the delays, RTI exceeded the contract-established target of 900 days for CCNs.

Software Application Design Task Cut Back

RTI failed to get automated systems for taxes and accounting completed and in use in a municipality within the timeframe of the DO. Our assessment is that this is due to: 1) the approach called for in Scope of Work is not tied directly with implementation in a particular city or county; 2) work plan delays, combined with the 1-year duration of the DO. At RTI's recommendation and request, the deliverables and results of this subtask were changed by the CTO to reflect a better match between outcomes expected and project end date.

Sustainability Issues

For the RTI team and Romanian local governments and support institutions, LGAP's third year was a successful one for consolidating past USAID support in the sector and translating the lessons learned into more sustainable institutions and practices. The most notable sustainability successes follow:

Advocacy and Lobbying Capacity for Local Self-government Strengthened

Associations, especially FALR, developed advocacy and lobbying capacity not seen in Romania previously. As the result, FALR has found a place at the table with ministry officials in the drafting and review of legislation. Future legislation can be expected to be more practical and enforceable with local stakeholder input concerning implementation problems built into sustainable relationships and institutions.

Strategy Plans Developed by Local Government Associations

Each of the 11 local government associations receiving LGAP grants developed strategic plans, with components for staff development, financial management, member services, and advocacy. The plans point the way to prioritizing member service levels and types along with the associated revenue sources for sustainability.

Links Forged Between the National School of Political Studies and Public Administration (SNSPA) and Regional Training Centers (RTCs)

Through LGAP's initiative during the past year, SNSPA, the RTCs, and FALR worked in collaboration through an integrated set of Memoranda of Cooperation and follow-up implementation. Through this collaborative program, these Romanian institutions partner in or monitor training and technical assistance programs, jointly develop training curriculum, libraries, and databases. This partnership represents the nucleus of an institute of public service that can and will improve the knowledge base and content of training for local staff nationwide, if given continued support by USAID or other donor in the near future.

Major Documents and Training Materials Distributed on CD

211 major technical and training documents in Romanian and English have been distributed on CD to local governments, support associations, USAID and other donor organizations and their implementing partners across the country. (For a list of the 31 major documents produced during the past year of LGAP activities, see Appendix C – List of Project Documents for the Third Year.)

Fourth Quarter Summary of Activities/Results/Obstacles

1.0 Policy Reform & Decentralization Enhancements

Objectives/Expected Outputs:

USAID seeks to support policy reform aimed at increasing the pace and improving the implementation of governmental decentralization in Romania. Under this first component of the Task Order, LGAP was asked to develop a plan for USAID's future activities in this area, and to present decentralization experiences from other Central and Eastern European nations through a series of workshops.

This component developed and implemented an integrated strategic plan that: (1) defines specific issues where USAID's advice and or assistance would be most helpful and effective; (2) identifies priority areas of interest of different parties in the decentralization process; (3) proposes specific activities and interventions to address these priorities; and (4) builds upon comparable experiences presented from other C/EE countries.

Activity During this Quarter:

1.1 Develop a framework inclusive of all policy reforms and decentralization measures significant to local government.

The centerpiece of the LGAP policy review process was the creation of three working groups in the designated areas of fiscal decentralization, service delivery, and municipal credit. The working group members represented a broad range of stakeholders in local public administration (LPA), including ministry representatives, local government unit associations, members of parliament, and local policy experts.

The working groups presented short-term recommendations to local government associations for possible inclusion in their current legislative agendas and medium-term recommendations for strengthening the institutional capacity of the associations to develop comprehensive legislative strategies.

In addition, a study team composed of international and local consultants conducted a survey to assess the current situation in the targeted policy reform areas and a series of meetings with other key donors and the main stakeholders in the decentralization process. The study team's findings, conclusions, and recommendations were presented to the main stakeholders for comment and informed the development of a draft integrated strategic plan.

In April 2002, RTI submitted the final strategic plan for review by USAID and Romanian stakeholder institutions in the local government system. During this reporting period, LGAP staff focused on dissemination of the strategic plan and policy advocacy support. The plan includes a series of suggestions at a very summary level to support USAID in determining its programming priorities over the next five years. In addition to the output of the working groups and the study team, the strategic plan incorporates the analysis and recommendations contained in the following LGAP papers:

- *Fiscal Decentralization in Romania: Policy Reform Directions for the Short and Medium Term, April, 2002*
- *Municipal Credit and Finance in Romania: Policy and Legal Framework, October, 2000; Restatement January 2002*
- *Municipal Services Delivery in Romania: Policy Reform Directions for the Short and Medium Term, April, 2002*

The distribution list for dissemination of this series of policy papers included representatives from Romanian central and local government, national and professional local government associations, and the Romanian Parliament, as well as international institutions and donors, and others involved in the decentralization process in Romania. We believe that broad dissemination will improve communication among stakeholders and provide a common language and implementation guidelines for future reform strategies.

1.2 Update previously prepared documents in areas of municipal credit (LGAP) and fiscal decentralization (LGAP/Urban Institute).

This activity was completed in previous quarters.

1.3 Analyze the effects of recently passed legislation and regulations.

A comprehensive legislative package on local public administration reform was completed during the project's final quarter that includes analyses of the results of two parliamentary sessions as well as case studies used in the LGAP pilot cities under Component IV. Highlights of the package include:

- local public administration regulations reviewed during Romanian Parliament's legislative sessions held September – December 2001 and February 4 – June 27, 2002
- legal and regulatory environment for Romanian local public finances developed in 2002
- case study developed for the city of Oradea regarding key issues related to the introduction of a solid waste collection and disposal tariff.

The analyses revealed that many actions threatening local government autonomy have been taken at the national level:

- The enforcement of certain provisions contained in the local administration law as well as regulation of public acquisitions was postponed until 2004.
- Measures to centralize the sanitation law and the government ordinance establishing a national institute for public administration were introduced.
- Reform of the salary law was blocked.
- The current ordinance on the management of urban and rural localities closely replicates a law from before 1989.
- Politically based amendments of laws for which implementation norms had not been prepared were passed (e.g., the law authorizing construction works).
- Several important cultural institutions, such as theaters, that had been decentralized in the 2002 state budget law were recentralized by ordinance.
- The law approving the ordinance to form a national investment company was passed. It promotes monopolistic practices in a market that has performed quite well; the company will be capitalized with contributions from public companies, which are mostly unprofitable.

Local government's authority to issue general and emergency ordinances as defined by the Constitution has been drastically limited, making constitutional amendments even more necessary. For example, the distribution of electricity and natural gas has been recentralized, with authorization of services controlled by a governmental rather than independent authority.

In the area of local taxes, the law approving the ordinance on local taxes and fees was passed with many amendments. The amended content of the law will require that local governments rescind resolutions passed to meet interim implementation deadlines that are no longer valid. In addition, the ordinance was passed in the

absence of an affordability study and is likely to result in a high level of default in collecting the substantially higher new taxes and fees.

1.4 Present the comparative experience of decentralization policy reform in C/EE countries through series of workshops.

The second C/EE Comparative Experience Seminar was held on August 3-4, 2002. Seminar participants included mayors and their designated teams from the eight municipalities receiving integrated assistance from LGAP, leaders of professional and national local government associations, representatives from the Ministries of Public Administration and Finance, and Members of Parliament.

A number of presenters provided information on the decentralization reform process in other countries. The presentations included an emphasis on the role of central, regional, and local government institutions; tools for decentralization; and the identification and implementation of best practices.

Two speakers with extensive experience in institutionalization of reforms in Poland and Hungary discussed the creation of a decentralization framework, with particular application to the water and education sectors. Another presenter described the fiscal decentralization system in Hungary, focusing on expenditure/revenue allocation and analysis of local strategies, and offered a comparison with the Polish system.

Discussions were also held on the lessons learned for the Romanian decentralization system, including possible strategies and current obstacles. The case study of the Budapest financial management reform—an internationally known example of successful restructuring of the financial sector during economic transition—included financial management techniques that can be utilized in any local government.

The seminar helped identify the main issues that local/central administrations are facing as well as alternative solutions for dealing with these issues. The participants identified weaknesses in the Romanian system and distilled lessons from the Hungarian and Polish experience that can be adapted to the Romanian reality.

Results:

- Romanian local government associations have prepared policy papers that substantively address sectoral changes associated with decentralization through both formal and informal policies.
- The main stakeholders in the decentralization process (e.g., representatives of central and local government, and local government associations) were brought together to find common solutions in the targeted policy reform areas.
- Local government associations were provided with valuable analysis of the current Romanian framework, thereby building their institutional capacity and knowledge for developing a near-term legislative agenda to promote their interests. The legislative analysis as well as policy papers developed under Component I were posted on the FALR web page as resource material for their members.

- The C/EE Comparative Experience Seminar offered a systematic analysis of decentralization processes in other parts of the region, especially Hungary and Poland, that can offer a logical framework for the rethinking of the Romanian system. Through the discussion of the Hungarian and Polish experience, some basic design and strategies were identified that can help Romanian participants in the elaboration of new policy elements and tools.

Obstacles:

- Significant disagreement exists between local government leaders at the municipal and county levels over certain key fiscal decentralization issues. This leads to problems in disseminating policy papers as well as in understanding the role of policy papers. That is, some view them as an objective analysis and set of recommendations rather than as a position paper for the local government associations.
- The attitude of the current central government toward decentralization remains ambivalent. While key ministry officials often expressed interest in our work and were sympathetic with our goals, the actual behavior of ministry representatives tended to reinforce rather than relax centralization.
- The fact that government ordinances take effect at the local level before they are discussed in Parliament undermines the effectiveness of policy advocacy that points out past problems with recentralized services and/or institutions.

2.0 Institutionalization of Training

Objectives/Expected Outputs:

In execution of this component, LGAP staff worked with three groups—RTC trainers, professional association members, and consultants—to institutionalize LGAP training. We employed TOT programs that focused on adult learning techniques as well as improving training materials to raise standards and expertise in both training methodology and Component IV topic areas. As part of the training events, LGAP staff helped RTCs and professional associations to assess each other’s capabilities and to form mutually beneficial relationships to cooperate in provision of training.

Activity During this Quarter:

2.1 Develop a strategy for institutionalizing LGAP training in Romanian training institutions and local government associations.

Implementation of the training institutionalization strategy was completed this quarter. The strategy identifies clear and complementary roles for the RTCs, associations, and eight selected local government units. In cooperation with FALR and six participating RTCs, members of seven associations attended a total of 27 training workshops in topics such as municipal services delivery, organizational management, procurement, alternative sources of financing, and financial indicators.

The Bucharest RTC was most frequently asked to work with associations on training plans. In some cases, LGAP training standards were totally or partially incorporated into training design, delivery and evaluation.

In cooperation with LGAP, the Economic Directors Association and the Technical Directors Association delivered training workshops in program budgeting (Giurgiu-July 3, Pitesti-July 23, and Ploiesti-July 26) and infrastructure project management (Mangalia-July 4-7). Based on this positive experience, both entities planned to deliver more workshops for their constituents.

RTC trainers continued to participate either as trainees or as trainers in all LGAP-supported workshops. The RTCs' reports show that:

- 6 cooperating RTCs used our training materials in 42 training workshops
- RTCs intend to use LGAP training materials and trainees in future training workshops.

2.2 Conduct TOT for professional associations.

All objectives included in the Memoranda of Understanding (MOUs) with the six target RTCs were achieved as of this quarter. RTCs have institutionalized LGAP training and plan to use LGAP-trained trainers extensively in future activities.

2.3 Identify cooperating RTCs, negotiate and sign MOUs.

MOUs were signed with cooperating RTCs in previous reporting periods. The RTCs planned to evaluate the activities conducted as part of the MOUs with LGAP at the September association meeting.

2.4 Conduct TOTs for RTC instructors in integrated technical assistance topics (Component IV) using in-service adult learning techniques.

This activity was completed in previous quarters.

2.5 Work with TOT participants to evaluate and refine existing training materials in Component IV topics, incorporating assessment of training needs from Component IV target local government units.

This quarter, a team of RTC trainers, professional association trainers, public administration faculty, NGO staff, and technical experts produced a state-of-art citizen participation training manual. The manual includes sample workshop agendas, trainer notes, presentation materials such as overheads and handouts, and case studies and exercises drawn from Romanian experience.

2.6 Employ TOT trainees in integrated assistance under Component IV.

LGAP continued the involvement of trainers from all six cooperating RTCs in training delivery conducted this quarter under Component IV, including a management seminar for mayors, a city marketing workshop, and a C/EE speakers' workshop. LGAP also provided RTC trainers with assistance and mentoring in

preparing for and delivering the new training plans. The RTC in Iasi plans to deliver a TOT in cooperation with FALR for its executive staff.

2.7 *Organize library of training materials and distribute to RTCs, USAID, FALR, and other identified training institutions.*

LGAP staff distributed English and Romanian copies of all documents and reports in the LGAP training library to USAID, FALR, RTCs, and other training institutions. All organizations received both a paper copy and electronic copy on diskette.

2.8 *Identify and select consultants to provide technical assistance.*

The pool of consultants identified by LGAP and approved by USAID continued to provide technical assistance under Component IV.

2.9 *Train and mentor Romanian consultants to provide technical assistance in Component IV and V topics.*

In this reporting period, expatriate and third-country national (TCN) consultants provided mentoring support to Romanian consultants on all topics covered by Component IV and V integrated assistance (see below).

2.10 *Establish consultant certification process.*

Based on input from Romanian LGAP staff and expatriate consultants, each component manager selected 3-4 candidates for certification, for a total of 25 consultants. Each consultant received a certificate signed by senior staff in USAID and LGAP.

2.11 *Assist cooperating RTCs to identify trainers among active professional association members.*

This task was completed in previous quarters.

Results:

- According to Romanian association leaders, such as FALR, the Association of Towns, and the County Economic Directors Association, the TOTs conducted by LGAP in 2002 early, combined with follow-up activities, provided critical support to the development of a needs-based training strategy. LGAP assistance also helped to increase training management and marketing capacity in local government associations.
- Under LGAP supervision, RTC and association training providers gained a better understanding of what is meant by “high” standards and, as a result, improved the quality of the training they deliver.
- The LGAP training institutionalization component facilitated the creation of a cadre of professional Romanian local consultants and trainers, which has improved the training and consulting sector in Romania.

- By requiring that Romanian institutions gradually increase their level of cost-sharing, we demonstrated that training institutions could become increasingly self-sustaining.
- The excellent cooperation established between the RTCs and the associations during LGAP can be drawn upon in implementation of new national training policies promulgated by the Romanian government. Institutionalization of this cooperation is demonstrated by several contract services agreements between the associations and RTCs (e.g., Association of Communes and Bucharest RTC). Eight training programs were conducted in September 2002 and 14 are planned over the next three months.

Obstacles:

- The awarding of so many grants to associations to deliver training caused a short-term overload of available training activities and possibly jeopardized the quality of training.
- The creation of The National Institute for Administration (INA), which the government intended to assist in building a vibrant local government training market, has created problems for the RTCs, including loss of some regular RTC clients who now are forced to go to INA for training.

3.0 Association Development

Objectives/Expected Outputs:

The activities in this component were based on a strategic framework designed to further the development of Romanian local government associations, and to help professional associations differentiate themselves from national associations. LGAP staff assisted the associations to establish standards, expand member services, develop and promote a shared legislative agenda, and create standing committees. This component worked in conjunction with Components II, IV, and V to ensure that association members had access to TOT courses, consultant training, and consultant mentoring activities. Under Component III we assisted eligible associations to develop business plans and consider applications for grant funding.

Activity During this Quarter:

3.1 Develop a strategic framework encompassing all local government unit associations and assist FALR to implement it.

All ten associations worked to implement business plans proposed under the grant program, to help develop their organization and to help them become a unified voice for local government.

3.2 *Work with professional associations to develop distinct missions, standards, and services.*

With support from LGAP, professional associations were very active this quarter in developing and disseminating policies, conducting training events, and improving their organizational practices:

- ANIAP and the Association of County Council Economic Directors (ADECJ) established standing committees and issued policies on specific subject matters. The Union of County Council Presidents (UNCJR), in cooperation with the Institute for Public Policies, issued a policy paper on child protection. This was the first public position undertaken by a local government association.
- ANIAP organized with Association of Romanian Towns (AOR) a training session on basic communication for mayors. The program was so highly rated that AOR requested a follow-up in November 2002.
- ADECJ is running a series of regional workshops on public purchasing and accounting. Also, ADECJ submitted to the European Union (EU) Commission two proposals for funding to deliver services for their members.
- With grant support, the Association of Romanian County Council Secretaries (ASGCJR) established its headquarters, hired staff, and delivered one workshop. All five professional associations participating in the LGAP grant program delivered training services to their members.
- The Association of Citizen Information Centers (ANCIC) has provided training sessions in all eight development regions and technical assistance to 24 local governments.
- The Association of Romanian County Council Presidents (AACJR) created a manual on urbanism and distributed it to all 41 counties.
- AMR held a workshop for 150 participants on metropolitan areas. The Municipal Secretaries Association under AMR issued the *Guide for the Local Councilor* and distributed it through AMR to all 100 municipalities.
- The Economic Directors Association from AMR held its general assembly, elected leaders, and conducted a series of workshops in five locations.

3.3 *Provide technical assistance in member services development.*

With LGAP technical assistance, UNCJR, AMR, FALR, ADECJ and FALR hosted legislative working groups for Law 189. In an important milestone for associations, ANIAP organized its first professional annual conference on September 6-9, 2002.

3.4 *Assist professional associations to train trainers and consultants.*

As of the final quarter, over 50 certified trainers among local government professional associations had been trained under LGAP. Also, in cooperation with FALR, all

specialists involved in the associations' work in the past year were to receive formal recognition.

3.5 *Develop a grant program and make grants to associations.*

LGAP held a committee meeting this quarter to award the remaining grants to eight associations. By the end of the fourth quarter, the program had awarded \$300,000 in grants, and monitoring visits had taken place at all associations. Funds were dispersed in an efficient way to allow appropriate time for spending the money on projects. On September 17, RTI conducted a grant evaluation meeting for this program. Results of the evaluation meeting will be delivered in a separate report.

3.6 *Involve associations in training and technical assistance program delivery (sponsorship, implementation).*

All 10 associations participating in the grant program delivered training services to their members, based on a training plan developed with LGAP support.

3.7 *Assist associations to create standing committees in key areas of association business.*

This quarter, LGAP staff assisted AMR to conduct meetings for three standing committees. The ADECJ legislative committee met to develop a legislative proposal for Law 189, on Local Public Finances. FALR established and approved eight standing commissions. By the end of September, all commissions were expected to have at least one more meeting to define the public policies to be issued and the positions to be recommended to the steering committees.

3.8 *Assist in FALR's effort to negotiate a shared legislative agenda.*

With LGAP assistance, FALR prepared a shared legislative agenda. The most promising area for collaboration is e-government; the area where differences between counties and municipalities are most pronounced is local public finance. The working group established for this purpose did not reach any conclusion, due to the rigid position of the counties during negotiations.

3.9 *Provide technical assistance in lobbying and coalition building.*

LGAP assisted FALR to organize six working group meetings to deliberate an amendment to Law 189. The final draft of the law was blocked by the counties, which would not negotiate with the municipalities regarding the percentage of funds transferred from the Ministry of Finance.

3.10 *Assist associations to better understand key legal and regulatory issues, and to formulate and articulate their informed positions.*

UNCJR and the North Carolina Association of County Commissioners (NCACC) created a partnership and began working on a list of possible collaborative activities during this quarter visit to Romania of the NCACC Deputy Director.

Results:

- Local government associations have become a voice and a partner for engaging in dialogue with the central government.
- Association leaders and specialists have become involved in drafting a series of legislation regarding local governments. Executive staff is undertaking increased responsibilities, and seeking other donor funds to ensure the sustainability of their organizations.
- Issuing formal public policies has become popular among standing committees of the associations.

Obstacles:

- Friction between counties and other local governments, particularly the municipalities, limited FALR's success in adopting a common position regarding Law 189 on Local Public Finances. FALR leaders are discussing possibly splitting the organization so that the counties and municipalities can be represented separately.
- Political influence over decision making is still an obstacle to the professional operation of these organizations, especially AMR and UNCJR.

4.0 Municipal Infrastructure Credit, Municipal Finance and Budgeting, Public Management, and Information Technology/ MIS (including Integrated Assistance Program)

Objectives/Expected Outputs:

The objective of this activity was to raise the level of practice in key areas of municipal management in selected local government units, making use of the training and technical assistance expertise developed during the program's first two years. These selected local government units then acted as models and mentors in the final stage of this year's program and may continue to do so in subsequent USAID programming. The integrated assistance activity also had valuable crosscutting results for other components:

- case studies and recommendations that could be incorporated into policy reform and legislative action;
- participation of city professionals in the TOTs and refinement of training materials;
- expertise and experience gained by professionals that will enable them to act as consultants to their peers via their professional associations.

Activity During this Quarter:

4.1 Develop and implement strategy for delivery of integrated assistance.

In January 2002, LGAP signed MOUs with 8 local government units and developed action plans with a total of 43 projects. Start-up meetings were subsequently conducted in all local government units. Integrated assistance and training activities began in April 2002 and were completed during this reporting period.

In early September 2002, the RTI Chief of Party sent a letter to each local government unit to formally conclude the relationship and to provide a status report on cooperative activities. Appendix B contains status reports for each target local government unit that details the projects undertaken with the city, the status upon project end, and the products and deliverables resulting from project implementation. LGAP staff will also provide each participating local government unit with a copy of all major documents and training materials developed during the third year of the project in a CD-ROM format. (See Appendix C for list of documents.)

4.2 Team local consultants with LGAP specialists and expatriate consultants for mentoring and employment in the Integrated Assistance Program.

Teams of LGAP staff and local and expatriate consultants carried out the integrated assistance and training under LGAP. Twenty-six local consultants were certified by USAID and all were given assignments in various project activities.

This quarter, LGAP distributed a list of all certified consultants to RTCs, local government associations, contractors, public administration faculties, and international organizations. Appendix D (and the LGAP web site) contains a complete list of consultants certified as part of LGAP.

4.3 Blend citizen participation tools and techniques into design and implementation of the Integrated Assistance Program.

Out of the eight selected cities, five had incorporated citizen participation into various projects at this writing. Below we provide examples of local government activities or services with citizen participation components for each of the five cities as well as the kinds of mechanisms that were used to solicit citizen input.

Focsani

Activities/Services

- Capital investment planning
- Program budgeting
- Public/private partnership for revitalization of apartment blocks

Citizen participation mechanisms

- Dialogue groups in six different areas of the city

- Citizens advisory group to prioritize local budget and capital expenditures (meetings were held on July 17, August 5, and September 6, 2002)
- Survey to collect opinions from citizens concerning local budget

All these activities were authorized by a Local Council decision. Several NGOs have offered to assist in leading future activities. Focsani expected to conduct its first budget public hearing on Sept. 26 with a projected attendance of 300 citizens.

Oradea

Activities/Services

- Solid waste collection

Citizen Participation Mechanisms

- Distribution of information through the media on new regulations, legal requirements, existing problems, possible alternatives, etc.
- Working meetings and one public meeting (June 28, 2002)
- Permanent citizens advisory group

The role of the citizens advisory committee is to contribute ideas on reorganizing waste collection service; suggest alternatives for heating system efficiency; and monitor the quality of all public services. Although the key player is the city department for waste collection, a local NGO has offered to lead the process in future.

Targu Mures

Activities/Services

- Municipal bonds issuance
- Public transportation

Citizen Participation Mechanisms

- Citizen awareness campaign about sale of municipal bonds
- Questionnaire on public transportation

As part of the citizen awareness campaign, the city prepared and distributed a leaflet. The city also plans to use the media to continue and reinforce public education about municipal bonds. The public transportation questionnaire was distributed to 1,000 citizens. After analysis of the responses, the city hall expects to make a recommendation to the public transportation company.

Ploiesti

Activities/Services

- Education funding and performance monitoring

Citizen Participation Mechanisms

- Stakeholder consultation
- Public meetings (June 11 and June 13, 2002).
- Education of high school and primary school headmasters regarding performance indicators

All the opinions expressed by the participants in those three public meetings were synthesized and incorporated into the 2003 education budget. Another public meeting was being planned for later in 2002.

Pitesti

Activities/Services

- Water service monitoring
- Program budget

Citizen Participation Mechanisms

- Neighborhood meetings
- Citizens advisory committee
- Media campaign
- Public hearing

Neighborhood meetings were initiated. A public hearing on the budget was planned and is ready for implementation.

Results:

- The LGA program achieved sound results from the citizen participation assistance provided to Focsani, Oradea, and Targu Mures. At this writing, citizens advisory groups were active, public hearings on the budgeting process were under way, and interested citizens had taken on the task of monitoring service delivery.

Obstacles:

- The ambitious scope of integrated assistance projects envisioned in the MOUs placed too heavy a burden on key local government staff. The number of projects in some cities was reduced (mainly in the areas of municipal credit, IT, and citizen participation) so that staff could concentrate on completing the most feasible and highest-priority projects.
- Distrust among different stakeholders (e.g., public utilities companies, elected officials, citizens) acted to thwart the participation process. Public comment meetings and advisory committees function best if participants from a variety of backgrounds and perspectives are informed about the issues and are candid, rather than hostile or competitive, in expressing their opinions. The citizen participation

process also takes time to implement and frequently, project timelines did not allow sufficient time to collect and incorporate data into project design.

- Opinions among many elected officials and administrative staff regarding participation were divided. Mayors and council members often saw participation as a political issue, while administrative staff often believed it brought into question their competency or was irrelevant because citizens were not well informed or interested in being part of the decision process.

4-A Municipal Infrastructure Credit

Objectives/Expected Outputs:

Technical assistance in this area of Component IV was intended to support applications for credit in up to three Romanian cities. LGAP staff conducted workshops in managing infrastructure projects and international finance institution (IFI) procedures. In addition, this component helped build the capacity of the Center for Municipal Credit Advice and Assistance (CICAP) to deliver consulting services and training to local government units and to sustain itself in the Romanian market environment. A related objective was to include CICAP staff in the group of local consultants selected to deliver technical assistance to local government units in the integrated technical assistance program.

Activity During this Quarter:

4-A.1 Identify candidates for borrowing and assist them to access and manage credit.

In early July, LGAP staff conducted a workshop on managing projects and applying for funding from international finance institutions. The workshop was attended by representatives from the eight target cities, professional associations and RTCs. In addition, new contacts with banks during this quarter revealed interest in the program from Raiffeissen, ABN AMRO, Volksbank, AlphaBank and Savings Bank.

Following up on previous contacts, LGAP staff conducted trips to Targu Mures, Ploiesti and Mangalia to finish collecting data for the creditworthiness reports. The reports were completed and submitted to USAID and to the respective local government units. Staff also expanded the existing database of financial indicators for creditworthiness assessment to include additional local government units. Currently the database includes approximately 70 large- and medium-sized local government units as well as counties.

Below we summarize our activity and progress to date on individual projects:

- Targu Mures has decided to finance a road rehabilitation investment project through the issuance of municipal bonds in the amount of 20 billion Lei. The LGA project assisted Targu Mures in selecting the capital project, determining the amount to be borrowed, issuing the request for proposals (RFP), setting criteria for financial intermediary selection, and drafting the prospectus. The next step for the city is to contract with a financial services intermediary.

- Baia Mare and Ploiesti are both interested in implementing a food markets project. LGAP assisted staff in both cities to better understand the implications of debt financing and bond issuance as well as the type of criteria used by the financial institutions when evaluating food markets projects. Ploiesti is currently seeking a bank loan while Baia Mare has decided to postpone its bond issuance for the next fiscal year.
- Oradea has arranged a loan of 11 billion Lei from ABN AMRO for modernization of recreation facilities. The city also is considering two loan guarantees totaling EURO 20 million for sewerage (EU Instrument for Structural Policies for Pre-Accession [ISPA]) and district heating (European Bank for Reconstruction and Development [EBRD]) infrastructure improvement projects. LGA program staff assisted the city in reviewing the draft loan documents to be negotiated with EBRD. We found that these guarantees would diminish the city's capacity to borrow and might affect plans to contract a loan for a ring road project, since the combined projects would use up the 20% indebtedness limitation allowed by national law. LGAP assisted the city in establishing a new methodology for determining the revenue stream from these services.
- Pitesti is planning to contract debt to finance a new wholesale food market. A feasibility study has just been completed placing the cost at approximately EURO 6 million. Activities to establish a monitoring system for the quality of water services in Pitesti have also been started. As water legislation is very new, establishing such a system in Pitesti might become a model to be used by other cities in Romania. LGAP helped the city to develop a set of engineering/technical indicators which would be part of the concession contract between the service provider and the municipality.
- LGAP assisted the city of Brasov in preparing a project presentation for the banking community. As a result, two banks expressed interest in the Brasov ring road project.

4-A.2 Investigate and report on opportunities to cooperate with USAID's Energy Efficiency Projects (EEP) and the Stability Pact Regional Infrastructure Project (RIP).

LGAP staff conducted a risk analysis on the Medgidia operation, the results of which were submitted to USAID during this quarter. LGAP made available the database including financial indicators and creditworthiness analysis to the RIP. EEP also contributed to the development of this database by asking local government units with EEP projects to submit basic data. LGAP staff also solicited information from RIP regarding their project in Constantia, to feed into the LGAP municipal services policy work and technical assistance. A constant exchange of information between RIP and LGAP was maintained during the final quarter, dedicated to policy work in the field of municipal services.

4-A.3 Ensure citizen input on relevant issues, such as tariff restructuring, infrastructure investment planning and other issues as they arise.

This activity is covered under Component IV, Task 3.

4-A.4 Develop and implement a strategy for institutionalizing technical assistance on credit through CICAP.

This activity was completed in a previous quarter.

Results:

- Prospects for municipal credit are improving with better information, training and consulting services. Local government demand for credit is huge, and capital markets are starting to realize the advantage of diversifying financial instruments.
- At the program level, EBRD expressed interest in receiving the LGAP creditworthiness report for Targu Mures and information on LGAP's municipal services policy work. EBRD has promised support in lobbying for changes and improvements in this area.
- More Romanian and international banks are looking seriously at the municipal loan and bond markets. Prospects for financing of specific projects are greatly improved.

Obstacles:

- The database was planned to accommodate 100 local government units; however, only 70 had been included as of the final quarter, due to delays in receiving data from some local government units. More cooperation and interest from the professional associations would have helped create a more comprehensive database.

4-B Financial/Public Management and Budgeting

Objectives/Expected Outputs:

This subcomponent provided technical assistance that was driven by the needs of target local government units but that also included financial forecasting, resource allocation, internal control framework and audit capacity, strategic planning, and capital budgeting. LGAP staff designed and offered seminars in management topics and worked with one or more Romanian professional associations to conduct their own training in program budgeting.

Activity During this Quarter:

4-B.1 Deliver technical assistance (TA) in public management topics to selected local government units via the Integrated Assistance Program.

In this quarter, integrated technical assistance continued in the six cities which selected public management projects in their MOUs. Projects covered a wide range of public management topics. LGAP staff supervised technical assistance delivered by teams of expatriate and local consultants. These teams helped city officials to:

- Define performance indicators for the maintenance and repair activities of the Department of Public Domain (Pitesti)
- Establish performance evaluation indicators for city staff (Pitesti)
- Establish the program budget for the educational area of the local budget (Ploiesti)
- Define a set of performance indicators for the education department (Ploiesti)
- Institute program budgeting for capital improvement programming (Focsani)
- Implement recently enacted laws and regulations for human resources management (Pitesti, Baia Mare)
- Establish an audit guide for the city's internal auditor (Oradea)
- Create improvements in program budgeting that will be summarized in case studies and disseminated through local government unit associations (Pitesti, Ploiesti, Focsani).

4-B.2 Conduct management seminars for leaders of local government units included in the Integrated Assistance Program.

LGAP hosted a management seminar for mayors and top executive staff in the eight target local government units. The seminar focused on strategic management and management by objectives, emphasizing practices that have been successful in other C/EE countries and featuring one speaker from Poland. The last of a series of three events to familiarize city administrators with cutting-edge management tools and practices, the seminar was well received by participants.

4-B.3 Cooperate with professional associations to provide assistance on program budgeting practices.

In the previous quarter, LGA staff assisted members of three different associations (Association of County Council Economic Directors, Association of Municipalities, and Union of County Council Presidents) to develop a plan to deliver technical assistance in program budgeting. To give them practical experience, this quarter we included them in a team providing program budgeting technical assistance to two cities: Vatra Dornei and Giurgiu.

Results:

- Senior staff of local government units participating in the Integrated Assistance Program have become more cognizant of how important issues such as performance management, teamwork, and auditing are to effective and accountable public management. The LGAP management seminars that promoted this new thinking among Romanian public administrators will be disseminated in

the next few years by Romanian trainers, many of whom also participated in LGAP through TOT courses.

Obstacles:

- To ensure successful adoption, program budgeting must be mandated by Romanian legislation, and a system of performance indicators (quality indicators as well as financial indicators) designed and implemented.

4-C Information Technology/MIS

Objectives/Expected Output:

Through the Integrated Assistance Program, this subcomponent used a needs-based approach to raise the level of competence in the three target cities in managing information for improved planning and decision making. Also under this component, LGAP developed the system requirements for the creation of an integrated budget and accounting system and an integrated billing and collection system designed specifically for the Romanian context. As part of this activity, LGAP organized a task force of local government professionals to conduct a system analysis and to promote the results to Romanian and international software developers.

Activity During this Quarter

4-C.1 Deliver TA in information management topics to selected local government units via the Integrated Assistance Program.

During this final quarter, LGA wrapped up the 12 IT/MIS projects initiated under the year three work plan. In addition to the outcomes achieved during the first three quarters, at the end of this reporting period, the remaining projects delivered the following:

- Data export application implemented in Targu Mures for use in exporting taxable property data out of an obsolete tax system. Based on the exported data, the city can now develop management reports and data quality-check processes, which will enable it to improve its tax collection.
- Two new reporting systems implemented in Pitesti for tracking capital investment costs and for monitoring budget expenditure.
- A software application for fiscal zoning modeling implemented in Oradea. This application will allow city officials to model their fiscal policies before implementing them. Oradea has been the most active city in the area of modifying fiscal zoning (three different fiscal zoning policies in three years) but so far these policies have been based on insufficient analysis and no modeling.
- A preliminary feasibility study for a geographic information system (GIS) developed for the city of Brasov. This feasibility study was a first for local government units in Romania, as generally cities and counties started their GIS projects without the thorough analysis and planning that goes into a sound feasibility study.

All these software applications or reporting systems are meant to showcase for Romanian local government officials the best practices in the area of information management, with a focus on building information systems on sound planning and taking into account the information needs of department managers.

4-C.2 Develop system requirements for integrated financial systems by consulting local government units in cooperation with professional associations.

In the previous quarter, a task force organized by LGAP assisted project staff to gather data on system requirements and specifications for an integrated budget and accounting system. Two ANIAP members volunteered their time for further defining requirements over the remaining months of the project.

4-C.3 Develop system requirements for tax systems by consulting local government units in cooperation with professional associations.

Toward the end of the program, Tasks 4-C.2 and 4-C.3 were merged. The final documentation delivered by RTI was a system analysis for an integrated system that includes both the tax and revenue management system and the budgeting and accounting system. This documentation was the result of six months of work by nearly 30 tax, finance and information systems experts. It was officially launched at the ANIAP Annual Conference on September 8 and distributed to the major software firms active in the local government market for IT.

This documentation is expected to be used both by software firms to improve their systems and by local governments to develop better requirements when they procure financial information systems. Thus, the quality of the local government financial information systems market will grow on both the demand and the offer sides.

Results:

- Members of the IT and finance professional associations volunteered their time during the latter stage of the system analysis effort. This is a good indication of their interest in this product and of their willingness to follow up on expanding and updating it as new legal requirements are enacted in the immediate future. The intense dialogue on financial and fiscal procedures going on among group members, sometimes bordering on controversy, led to an unplanned benefit—i.e., many reconsidered their current financial and fiscal procedures.
- Oradea's deputy mayor made a decision to integrate several street databases into a single street directory, to be used by all software applications and databases in the city, including local agencies. This decision opens the way for the development of a city-wide integrated information system that would lead to much more effective data management, with immediate effects in areas like tax collection, budget allocation, urban management, service delivery, etc. However, this is not a simple process and will need constant nurturing by top management and significant technical input in order to deliver the expected final results.

- Even after the cessation of our assistance, Oradea continued with a formal planning process that will eventually yield an Information and Technology Master Plan for this city.

Obstacles:

As with any IT projects, this component of the LGA program faced risks in connection with requirements, technology, skills, and politics.

- The project incurred requirement risks when the initial definition of requirements (for example, for developing a financial report) indicated that the effort would be feasible within the available timeframe and resources, but during development it became clear that a much larger effort was needed or even that the goal was unachievable within a reasonable period.
- By technological risks we refer to such situations as, for example, when a critical financial management reporting system had to be built over existing information systems developed with different technologies by different vendors, located across an unstable local area network, and dependent on complicated data collection and maintenance procedures. Such a project is always challenged by the risk of obtaining in the end a technologically unviable system.
- Skills risks have likely been the most challenging and have ranged from the scarcity of professional system analysts in Romania to the lack of highly skilled IT professionals in some of the assisted local government units. To counteract this human resource problem, local government units will have to change their culture of relying exclusively on their staff for IT projects to a management culture based on outsourcing IT projects to private contractors that have the necessary expertise.
- Regarding political risks, one instance of a project that delivered less than planned because of its political sensitivity occurred in Oradea. When new deputy mayors took office, the city underwent a re-organization process. The political turf between the resulting informal centers of power delayed critical decisions and made it impossible for LGAP to deliver the technical assistance necessary to finish a project aiming to integrate databases across city departments.

5.0 Economic Development

Objectives/Expected Outputs:

The main objective of the Economic Development component was to devise a strategy with priority actions to be carried out as part of integrated assistance in the three target Urban Planning for Local Economic Development (UPLED) cities. LGAP staff assisted the target cities to prepare applications for project funding and submit them to funding agencies. Staff promoted the creation of public-private partnerships and opportunities for citizens to be involved in economic development decision making. LGA increasingly relied on Romanian professionals in implementing this

component and presented USAID with an analysis of options for economic development programming for the next contract.

Activity During this Quarter:

5.1 Develop and implement an ED program strategy that focuses assistance on priority actions that produce results in the three UPLED cities.

In this quarter, LGAP's work with the UPLED cities (Oradea, Iasi and Focsani) was completed. Following are key results of this collaboration effort:

Oradea: creation of a metropolitan area council to plan and implement projects of common interest and benefit

As a result of the conference on sustainable development through metropolitan cooperation in Romania held in July, the following steps were taken:

- Government legislation was passed in August 2002, based on the pilot project metropolitan area in Oradea
- A partnership agreement was concluded among four communes and the city of Oradea for a sanitary landfill and for solid waste collection
- Four communes have become shareholders (1-3%) in the Metropolitan Gas Company, along with the city of Oradea
- The technical department of the metropolitan area is in place (2 employees)
- The metropolitan web site is now within the API site

Focsani: development of new housing units in conjunction with rehabilitation of existing apartment blocks through a public-private partnership with local investors and owners' associations

According to the action plans for UPLED cities' projects, derived from their strategies, the following steps were implemented:

- The Local Council made decisions creating dialogue groups for LED strategy and determining their internal regulation
- The Local Council made decisions on advisory groups for local development
- Alternative funding options were analyzed
- Documents for a pilot project involving a four-story building were submitted to the National Housing Agency (ANL).

The following items were in the process of being finalized at project end:

- Pre-feasibility study for four-story building, being carried out by ANL
- Urban regulations on building mansards
- Guidebook for revitalizing blocks of flats by building mansards

Iasi: revitalization of a downtown pedestrian street employing public-private partnership techniques

According to the action plans for UPLED cities' projects, derived from their strategies, the following were implemented:

- stakeholders survey along the pedestrian street
- comparative real estate market analysis with other zones in the city
- identification of potential projects
- initiation of feasibility studies for small projects.

5.2 *Assist selected cities to investigate sources of project funding and prepare project proposals.*

During this reporting period, the update of the donor survey was completed. The donor survey was sent to several ministries for their input, and then presented at the Infrastructure Project Management seminar hosted by Component IV. Oradea submitted two applications for SAPARD infrastructure, in partnership with several surrounding communes.

5.3 *Local consultants teamed with LGAP specialists and expatriate consultants, mentored and used to provide technical assistance in the selected cities.*

Approved Romanian consultants were mentored by expatriate and TCN consultants on the following projects:

- Strategic planning: Daniela Olaru
- Financial planning: Natasa Nemes
- Assessment of local environment for business development: Dan Ionescu, Sergiu Balasa, Remus Albu
- Implementation of specific projects: Andrei Luncan
- Identifying the competitive advantages of the cities, setting up market-oriented local development strategies, and selecting priority projects: Magdalena Nicoara, Sorina Racoviceanu, Liviu Ianasi, Nicolae Taralunga, Constantin Ciupagea
- Strand Park revitalization project: Viorel Udma

5.4 *Promote techniques for use of public/private partnerships in economic development.*

The public-private partnership techniques used in Iasi and Focsani were summarized and disseminated to other local government units through the local government unit associations. LED staff provided information on the PPP framework and LGAP case studies for a seminar which is planned for October 3-5, 2002. All the LGAP target cities prepared written articles about their projects for a roundtable to attract the participation of private sector firms. The cities' priority projects will also be displayed on the UMP municipalities' web sites.

The UMP training manual now includes a section on public-private partnerships; the manual will be included in the final LGAP CD and disseminated through the local government unit associations.

5.5 *Analyze the LGAP ED program and propose future programming options.*

The final report fulfilling this task was disseminated to the relevant ministries during this quarter.

5.6 *Promote opportunities for citizens to become actively engaged and informed in policy development and debate.*

In this quarter, the Local Councils of the cities of Pitesti, Ploiesti and Mangalia approved the setting up of LED advisory groups involving local stakeholders and business sector representatives, in order to cooperate with the LED offices or task forces within the city halls. All five cities (including Brasov) started to disseminate information on their economic development strategies. All the processes and current results will be displayed on the city's web site. The cities also prepared written articles for the *Economic Tribune of Local Governments*. With LGAP support, the UMP training manual was revised to include a section on citizen involvement in preparing the LED strategy and implementing projects.

5.7 *Deliver TA in economic development topics to selected local government units via the Integrated Assistance Program.*

LGAP provided assistance for a small workshop on developing the Focsani City Development Strategy under the UPLED program. The purpose of the workshop was to help the cities participating in the Urban Marketing Practicum to understand the linkages between the development strategy and capital investment planning (CIP) and to highlight the success of the Focsani team in applying these approaches.

A CIP expert from Poland presented the background and role of CIP in local economic development and local government's strategic management system. The presenter used the Szczecin case as an example and showed the differences in Szczecin's CIP between 1997-2000 and 2002-2005. Participants from the UMP cities had an opportunity to develop a better understanding of the role of the CIP as a medium-term planning tool and how to link the long-term city strategy with annual budgeting and reporting. He also emphasized the role of different stakeholders including citizens, businesses and other public institutions in developing the CIP.

Working with the Focsani team, the Polish expert showed how the CIP process can be institutionalized as part of a strategic management system in the Romanian context. Based on the UPLED program, Focsani has been successful in integrating the implementation of the city strategy with budget procedures, financial planning, and development of an inclusive system of involving different partners.

The third Urban Marketing Practicum was conducted on July 17-19 in Sinaia. The LGAP participant cities within the practicum were Mangalia, Pitesti, Ploiesti, and Targu Mures. The Brasov team members, who initially joined the practicum as observers, presented the results of the work to catch up with the other four cities. The city of Gheorgheni sent one participant to attend the practicum as observer, according to the city hall agreement with RTI. The cities of Zalau and Baia Mare were not able to join the practicum but asked for the materials and the other cities' progressive

development materials. The RTCs' representatives were involved in training activities and were not able to come but they also asked for the practicum materials.

Results:

- The staff of cities that participated in LGAP's first two years contributed to the third year as trainers and consultants. Moreover, the experience gained during the previous phase of LGAP with the cities of Oradea, Iasi, and Focsani was useful in this last phase for all target cities.
- The LGAP urban marketing workshops were monitored by the RTCs for possible adaptation to their training programs. The integration of consulting with training is useful for designing training programs.
- The UMP ended with a roundtable for participants from municipalities, ministries, developers, investors, and real estate agencies in order to initiate a more focused cooperation to promote and implement priority projects of the cities.
- Romanian consultants were integrated into LED activities at several levels:
 - Consultants from different domains/components cooperated within the same activities;
 - The UPLED professionals became consultants for the new UMP cities, based on their previous experience.

Obstacles:

- Implementing local economic development strategies requires cooperation among diverse professionals and departments within the city hall and sustained support from the mayor. Too often, instead, an established faction within the local government and/or strong control by the mayor or a particular council member hampers the process.
- The project's budget constraints necessitated the canceling of the UPLED projects' final phases as well as the legal and institutional framework for metropolitan areas and the guidebook for the Focsani project. The roundtables with private sector representatives and the extension of the UMP cities' web sites with the information regarding the LED strategy and priority projects for PPP were also halted.

Revisions to the Work Plan and Level of Effort

On June 11, 2002, Jim Gordon, CTO/USAID/Bucharest, approved modifications in the work plan as recommended in Component 4C, Information Technology/MIS. In this report the M&E tables for Component 4C (in Appendix A) reflect these changes.

On June 19, 2002, Jim Gordon, CTO/USAID/Bucharest, approved modifications to the Task Order concerning authorized level of effort (LOE) in the areas of municipal

credit, budget/finance/public management, short-term cooperating country national (CCN) consultants, and short-term TCN consultants.

The actual numbers of workdays expended from September 24, 2001, through September 30, 2002, for short-term CCN consultants, short-term TCN consultants, and local specialists are presented in Table 1.

Table 1: Level of Effort for LGAP Staff and Consultants

Labor Category	Level of Effort	
	Planned	Actual
CCNs	900 days	956 days
TCNs	156 days	144 days
Local Specialists	59 months	59 months

Appendix A

Cumulative Project Outputs and Final Results

October 1, 2001 – September 30, 2002

COMPONENT I. Policy reform and decentralization

ACTIVITY MONITOR

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 1: develop strategic plan that defines specific issues where USAID advice and/or assistance will be most helpful and effective</i>		
1. Develop a framework inclusive of all policy reforms and decentralization measures significant to local government	Policy review process organized around 3 working groups (fiscal decentralization, service delivery, municipal credit)	Three working groups carried out policy reviews and compiled & reported results to USAID.
	Working groups develop amendments to laws and regulations	<ul style="list-style-type: none"> Working groups agreed on proposed amendments. Short-term recommendations were included in the legislative agendas of local government unit associations. Medium-term recommendations were used to strengthen local government unit associations' institutional capacity to develop a comprehensive shared legislative strategy.
	Strategic plan to USAID for policy work under future programming	<ul style="list-style-type: none"> Study team conclusions/findings/recommendations presented to the main stakeholders for comment. Strategic plan submitted to USAID. Completion of the dissemination process of the policy papers according to the distribution plan that included all the stakeholders in the decentralization process.
2. Update previously prepared documents in areas of municipal credit (LGAP)	Updated documents in areas of municipal credit	<ul style="list-style-type: none"> Municipal credit documents updated.
3. Analyze effects of recently passed legislation and regulations	Research and analysis completed and passed to FALR	<ul style="list-style-type: none"> Consensus recommendations for improvement submitted to Government and Parliament. Legal analysis of options for setting tariffs on solid waste services conducted. Analysis of the recently adopted legislation on water services conducted. Analysis of the legislation concerning Local Public Administration completed for the 2001-2002 parliamentary year and submitted to FALR, posted on the FALR web site. Legal and regulatory framework analysis for the local public finances (1999-2002) completed and posted on FALR web site. Case study of the introduction and direct collection of new solid waste collection and disposal tariff for Oradea completed, posted on FALR web site.

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 2: present comparative experience to decision makers through a series of workshops with C/EE speakers experienced in decentralization issues</i>		
Present comparative experience through series of workshops featuring speakers with C/EE experience	Workshops for local government unit leaders featuring C/EE speakers	<ul style="list-style-type: none"> • Speakers' series workshops featuring public officials and experts from other C/EE countries presented comparative experience of decentralization policy reform. These workshops were attended by decision makers from both central and local levels.

COMPONENT I. Policy reform and decentralization

RESULTS REPORT

EXPECTED RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
<i>TASK 1: Develop strategic plan that defines specific issues where USAID advice and/or assistance will be most helpful and effective</i>					
Issues and barriers in assuring adequate financial resources to local governments to carry out their mandated responsibilities have been identified	Barriers identified and addressed with policy recommendations as part of the strategic plan delivered to USAID	0	1	1	Project database
Contradictions between laws affecting local government, including those affecting preparation and approval of local budgets, identified or clarified	Contradictions identified, clarified, and addressed as part of the strategic plan delivered to USAID	0	1	1	Project database
	Strategic plan disseminated to stakeholders so that they can lobby ministry officials and parliamentary decision makers	0	1	1	
Regulatory framework for municipal credit market enhanced	# additional components of policy and regulatory framework for municipal credit market updated and submitted to USAID	7	8	8	LEGIS database
Legislation drafted that gives local governments authorization to open commercial bank accounts and to use those accounts for budget execution	Included in policy and regulatory framework (above)	0	1	1	Project database

EXPECTED RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
<i>TASK 2: Present comparative experience to decision makers through a series of workshops with C/EE speakers experienced in decentralization issues</i>					
Local governments, through their respective associations, advised of new authorities and responsibilities	# of C/EE best practices presented to local government unit's decision makers by the associations	0	9	9	Association newsletters, web sites
C/EE experience incorporated into Romanian local government unit practice	# of local government unit associations publicizing C/EE practices to their members	0	5	5	Project database

COMPONENT II. Training institutionalization

ACTIVITY MONITOR

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 1: Develop strategy for institutionalization of LGAP training in Romanian training institutions and local government associations</i>		
1. Develop a strategy on training institutionalization	Strategy developed and approved by USAID as part of the work plan	<ul style="list-style-type: none"> Strategy that identifies clear and complementary roles for RTCs, associations, and 8 selected local government units developed, approved, and implemented with excellent results. Sustainable training plans developed and implemented on basis of accepted strategy.
2. Conduct TOT for professional associations	Selected professional associations are equipped with knowledge and skills in adult learning techniques & have designed and started implementing a training plan based on identified members' needs	<ul style="list-style-type: none"> 57 members of 10 professional associations representing finance officers, chief architects, secretaries, trained in adult training techniques in 3 TOTs. Selected associations using training plans to serve their members. Selected associations delivered more than 30 workshops for the members, some in cooperation with RTCs.
<i>TASK 2: Employ RTCs as a vehicle for institutionalization of training in topics of Component IV integrated technical assistance</i>		
1. Identify cooperating RTCs, negotiate and sign MOUs	MOU signed with selected RTCs.	<ul style="list-style-type: none"> MOUs signed with all 6 RTCs: Craiova, Calarasi, Iasi, Bucharest, Sibiu, & Training Center of National School of Public Administration.
2. Conduct TOTs for RTC instructors in topics of Component IV integrated technical assistance using in-service adult learning techniques	RTCs instructors trained in Budget & Public Management, Municipal Credit and Finance, Information Technology, Economic Development, Citizen Participation	<ul style="list-style-type: none"> Training in adult learning techniques completed. RTC trainers participated either as co-trainers or trainees at all 20 LGAP workshops during year three.
3. Work with TOT participants to evaluate & refine existing training materials in Component IV topics, incorporating assessment of training needs from Component IV target local government units	Training materials equipped with trainers' notes, exercises, and case studies available to be used by RTCs and other training providers	<ul style="list-style-type: none"> Cooperating RTC trainers involved in training materials revision and development (citizen participation training manual, mayors' management seminar workbook). TOT participants prepared training materials in Component IV topics.
4. Trainers provide training to the local governments receiving integrated technical assistance under Component IV	Training sessions conducted for the selected local government units based on their specifically identified training needs	<ul style="list-style-type: none"> RTC trainers are acting as co-trainers in Component IV & V topics (Bucharest, Iasi RTCs, National School of Political Studies and Public Administration [SNSPA]).

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
5. Organize library of training materials and distribute to RTCs, USAID, FALR and other identified training institutions	Training materials available to RTCs, USAID, FALR and other identified training institutions via web sites and CDs	<ul style="list-style-type: none"> • Training materials (TOTs, mayors' management seminars, city marketing workshops, Component IV topics) distributed via web sites and CDs.
<i>TASK 3: Train, mentor & certify cadre of Romanian consultants capable of providing technical assistance in Component IV topics</i>		
1. Identify and select consultants to provide TA	Selection of consultants based on credentials and past performance	<ul style="list-style-type: none"> • Accomplished.
2. Train and mentor Romanian consultants to provide technical assistance in Component IV and V topics	Consultants trained via TOTs and mentored by expatriate/TCN consultants	<ul style="list-style-type: none"> • Accomplished.
3. Establish consultant certification process	Consultants certified and included in database	<ul style="list-style-type: none"> • 25 consultants were certified and included in the database.
<i>TASK 4: Assist cooperating RTCs to identify trainers among active professional association members</i>		
Assist cooperating RTCs to identify trainers among active professional association members	TOTs have provided opportunity for RTCs and professional associations to assess each other's capabilities and form mutually beneficial relationships to cooperate in provision of training	<ul style="list-style-type: none"> • 57 potential trainers identified through 3 TOTs. Cooperation between RTCs and associations established and ongoing. • 31 various association members engaged in RTC training.

COMPONENT II. Training institutionalization

RESULTS REPORT

SPECIFIC RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
<i>TASK 1: Develop strategy for institutionalization of LGAP training in Romanian training institutions and local government associations</i>					
Strategy has been adopted by participating training institutions/associations	RTCs & professional associations incorporate LGAP materials and standards	0	11	13	LGAP database 6 RTCs + 7 assoc. (FALR, Assoc. of Towns, Assoc. of Communes, Ec. Dir. of Municip, Ec. Dir. of Counties, Chief Arch. of Counties, ANCIC)
<i>TASK 2: Employ RTCs as a vehicle for institutionalization of training in topics of Component IV integrated TA</i>					
RTCs and local government associations are conducting workshops using LGA program-developed material	• RTCs continuing to use LGAP materials	4	4	6	RTC reports
	• Local government associations using LGAP materials	1	4	7	Association reports (see above)
Full package of training materials (agenda, trainer notes, presentation materials, exercises drawn from Romanian experience) has been produced and transferred to RTCs	• # RTCs with a full package of training materials developed under LGAP	0	5	6	LGAP database
	• # workshops planned by RTCs using LGAP-trained trainers and materials	0	15	64 (in one year)	RTC reports
Local government associations are serving as a source of expertise for the RTCs	# professional association members serving as trainers for RTCs	0	8	10	RTC reports (all 10 associations trained in TOTs)
Participants and/or their sponsors are sharing training costs	• % training events with transport costs shared by recipients	100%	100%	100%	LGAP database (out of 20 LGAP workshops, 10 have been cost-shared)
	• % training events with transport and other costs shared by recipients	10%	25%	50%	
<i>TASK 3: Train, mentor and certify cadre of Romanian consultants</i>					
Trained local consultants are providing technical assistance to units of local government	All local consultants providing TA to local government units are reported under Component IV, Task 2 indicator	See IV-2	See IV-2	See IV-2	See IV-2

SPECIFIC RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
Consultant database established, updated and delivered to USAID	Database delivered to USAID and posted on LGA web site	0	1	Accomplished	LGAP database
Consultants certified according to established procedures	# consultants certified	0	15	25	LGAP database
<i>TASK 4: Assist cooperating RTCs to identify trainers among active professional association members</i>					
Potential trainers have been identified	# potential trainers identified	0	15	31	LGAP database and RTC reports

COMPONENT III. Association development

ACTIVITY MONITOR

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 1: Strategic framework to continue the development of the various associations based on differing roles for each association</i>		
1. Develop a strategic framework encompassing all local government unit associations and assist FALR to implement it	Associations assisted to agree upon and implement various components of the strategic framework	All ten associations have implemented business plans proposed under the grant program for the development of their organizations.
2. Work with professional associations to develop distinct missions, standards, and services	4 professional associations assisted to differentiate themselves from national associations, establish standards of ethical conduct for members, expand services for their members	<ul style="list-style-type: none"> • All five independent professional associations hired executive staff and defined actions to support the activity of their organizations, including services for members, roundtables, training, etc. • FALR signed a protocol of cooperation with ANIAP and ANCIC. • Professional associations joined FALR in legislative working groups. • CAS organized six workshops for its members, one of them on metropolitan areas attended by 150 participants. • ANIAP organizes an annual conference with participation of 24 IT companies. • ADECJ delivered a series of training programs for its members. • ANCIC organized 7 regional workshops, followed by TA in 24 locations.
3. TA in member services development	Associations providing a range of services to their members	<ul style="list-style-type: none"> • Newsletters issued by FALR, AMR, ADECJ, AOR. • Training provided by ANIAP to its members for Microsoft certificates. • General assemblies organized by all local government associations. • FALR prepared a best practices guide and a brochure for all ten local government associations. • FALR established a weekly bulletin. • FALR hosted legislative working groups for Law 189. • FALR together with World Learning conducted two training sessions for local councilors. • AMR is doing pilot project on social services with Turda municipality. • UNCJR prepared a policy paper on child welfare (in cooperation with Institute for Public Policies). • All associations are issuing newsletters and have presentation materials for their organizations. • Based on a training plan developed by each association, training services have been delivered on a regional basis.

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 2: Assist the professional associations to develop a "peer training" capacity</i>		
Assist professional associations to train trainers and consultants	Professional association members have participated in 3 training sessions for adult learning techniques, training management, and marketing	<ul style="list-style-type: none"> All national and professional associations developed training plans. Follow-up meetings have been conducted to finalize the schedule of activities.
	Professional association members have been included in TOTs under Component II	<ul style="list-style-type: none"> Three TOTs for Economic Directors, Chief Architects, and Secretaries under Component II were organized.
	Professional association members have been included in consultant training/mentoring activities under Components IV and V	<ul style="list-style-type: none"> Chief Architects Section under AMR involved its membership in implementing economic development activities. ANIAP participated in system analysis group. ANCIC provided professionals for citizen participation TA. CAS cooperated closely with Component V in organizing metropolitan area workshop.
<i>TASK 3: Establish & operate grant program</i>		
Develop a grant program and make grants to associations	<ul style="list-style-type: none"> Assist eligible associations to develop business plans Solicit and review grant applications Make and monitor grant awards Evaluate results of grants 	<ul style="list-style-type: none"> 10 national and professional associations were assisted in developing their business plans. Second round of grants resulted in additional funds awarded to 8 associations. Monitoring visits were made to all 10 associations. Grant evaluation conducted.
<i>TASK 4: Develop sustainable capacity in national and professional associations</i>		
Involve associations in training and technical assistance program delivery (sponsorship, implementation)	<ul style="list-style-type: none"> Assist associations to sponsor training programs Involve associations in TA delivery 	<ul style="list-style-type: none"> All local government associations, based on a training plan, delivered training services to their members. FALR collaborated in delivering 3 TOTs. ANCIC conducted 7 regional workshops and assisted 24 localities in opening citizens' information centers. ANIAP in cooperation with AOR organized training sessions for mayors.
<i>TASK 5: Assist associations to establish permanent structures</i>		
Assist associations to create standing committees in key areas of association business	Assist 5 associations to create standing committees and make them operational	<ul style="list-style-type: none"> FALR, Association of Romanian Communes (ACoR), AMR, ADECJ, ANIAP received assistance in creating standing committees, organizing meetings, and discussing public policies.

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 6: Assist associations to develop legislative agendas</i>		
1. Assist in FALR's effort to negotiate a shared legislative agenda	<ul style="list-style-type: none"> • Assist FALR to identify key decentralization issues • FALR participates in Component I policy working groups • Assist FALR to promote informed and intelligent discussions on effective delivery of critical public services 	<ul style="list-style-type: none"> • FALR defined its legislative agenda. • Policy papers produced under Component I were distributed to all members and discussed in the standing committees.
2. Provide TA in lobbying and coalition building	Assist 5 associations to improve lobbying skills	<ul style="list-style-type: none"> • FALR assisted in organizing six meetings of the working group for amending Law 189/98 (Law on Local Public Finances). • ANIAP produced material for the Ministry for Public Administration for the inventory of IT equipment. • ANIAP was appointed to the national council for e-government.
3. Assist associations to better understand key legal and regulatory issues, and to formulate and articulate their informed positions	Assist 5 associations to improve policy analysis skills	<ul style="list-style-type: none"> • UNCJR prepared a policy paper on child protection (in cooperation with the Institute for Public Policies).

COMPONENT III. Association development

RESULTS REPORT

SPECIFIC RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	SOURCE
<i>TASK 1: Strategic framework to continue the development of the various associations based on differing roles for each association</i>					
1. FALR & other associations agree upon and implement a strategic framework encompassing all local government unit associations	Number of associations that take part in implementing a strategic framework	0	7	10	Associations records
2. Professional associations differentiate themselves from national associations	<ul style="list-style-type: none"> • # professional associations defining mission • # professional associations defining standards • # professional associations defining services 	2 0 0	4 4 4	4 4 4	Copies of association reports and records
<i>TASK 2: Assist the professional associations to develop a "peer training" capacity</i>					
Professional association members are leading training sessions and providing consulting services	<ul style="list-style-type: none"> • # professional associations implementing a training plan based on members' identified needs • # trained consultants drawn from professional associations • # trained trainers drawn from professional associations 	0 0 10	2 10 25	5 10 50	Project database
<i>TASK 3: Establish & operate grant program</i>					
1. Associations secure full-time, professional management and improved administration	# associations submitting feasible business plans	0	8	10	Grant program documents
2. Associations make significant progress toward being financially self-sustaining within a 12-month period	# associations accomplishing objectives stated in grant applications	0	4	5	Grant close-out reports
<i>TASK 4: Develop sustainable capacity in national and professional associations</i>					
Involve associations in training delivery	# training sessions co-sponsored by associations	0	10	10	Training reports

SPECIFIC RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	SOURCE
TASK 5: Assist associations to establish permanent structures					
Associations constitute standing committees to better serve and give expression to member participation	• # operating committees	0	5	5	Association reports
	• # committee meetings	0	10	5	
	• # position papers adopted	0	4	4	
TASK 6: Assist associations to develop legislative agendas					
Through its lobbying FALR is recognized as an effective voice on behalf of local governments before the central government	FALR adopts shared legislative agenda	0	1	1	FALR report
	• # common positions on key regulatory issues adopted by national and professional associations	0	3	3	Association reports
	• associating successful lobby for an amendment to legislation				

COMPONENT IV. Integrated technical assistance and training in municipal management

ACTIVITY MONITOR

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 1: Strategy for delivering integrated training and technical assistance to selected units of local government</i>		
Develop and implement strategy for delivery of integrated assistance	<ul style="list-style-type: none"> • Pre-selection of possible candidates • On-site city assessment • Draft MOUs • Draft list of activities by city (according to each assessment) • Signed MOUs • Start-up meetings (in each of 8 local government units) • Integrated TA/training program in each of 8 local government units (See Activity Monitor by local government unit, Appendix B) • Mid-term workshop • Regional dissemination conference 	<ul style="list-style-type: none"> • Integrated TA/training program begun in 8 local government units (per steps shown at left). • Mid-term workshop and regional dissemination conference cancelled.
<i>TASK 2: Promote the use of Romanian and third-country nationals consulting groups and/or NGOs to implement this component</i>		
Local consultants teamed with LGAP Specialists and expatriate consultants and mentored in Integrated Assistance Program targeting up to 8 cities	<ul style="list-style-type: none"> • Local consultants mentored, trained and used as consultants in integrated assistance, entered into consultant database organized by specialization • Consultant database distributed to other donor programs, RTCs and local government unit associations 	<ul style="list-style-type: none"> • Local consultants provided TA in Component IV technical areas: municipal credit, municipal finance/budgeting, public management and information technology/management information systems. • Local consultants teamed with expatriate consultants. • Consultant database designed and made available on LGAP web site.
<i>TASK 3: Develop and promote opportunities for citizens to become actively engaged and informed in policy development and debate</i>		
Blend citizen participation tools and techniques into design and implementation of Integrated Assistance Program	The MOUs and the 8 local government unit action plans incorporate citizen participation activities	<ul style="list-style-type: none"> • MOUs and 5 local government unit action plans incorporate citizen participation activities. • Sound results in involving citizens in Focsani, Oradea and Targu Mures: citizens advisory groups are active, budget public hearing process in progress, citizens involved in service delivery monitoring.

COMPONENT IV. Integrated technical assistance and training in municipal management

RESULTS REPORT

SPECIFIC RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
<i>TASK 1: Strategy for delivering integrated training and technical assistance to selected units of local government</i>					
Assisted local government units will request, use and support integrated training and technical assistance, leading to improved practices in key areas of municipal management	# local government units improving local service delivery, program budgeting systems, collection of local taxes and fees, and/or forecasting techniques and capital improvement planning	0	8	8	Indicators from subcomponents A & B of Component IV
Improved management and administrative practices	# local government units improving personnel, performance auditing, and information management	0	6	6	Indicators from subcomponents B & C of Component IV
<i>TASK 2: Promote the use of Romanian and third-country nationals consulting groups and/or NGOs to implement this component</i>					
A cadre of consultants has been trained and utilized in providing technical assistance	# local consultants teamed with and mentored by expert consultants (Component IV, Integrated TA to selected cities)	15	30	30	Project database completed; see http://www.lga.ro/lga/en/ , under team and consultants menu
LGAP consultant database shared with other donors, local government unit associations, and Romanian government	# institutions from the distribution list using LGAP consultant database via web site or receiving it on CD	0	20	30	LGA web site usage report and project records

SPECIFIC RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
<i>TASK 3: Develop and promote opportunities for citizens to become actively engaged and informed in policy development and debate</i>					
Citizen participation will become a regular element of local government functions including citizen input on relevant infrastructure issues (IVA-3); including citizen participation in policy development and debate (V-6)	<ul style="list-style-type: none"> • # public hearings/meetings • # citizen advisory groups • # information gathering: focus groups, surveys, etc. • # information shared via press, radio, TV, etc. 	36 23 29 18	42 29 35 24	53 ¹ 25 33 23	Project database

¹ Including 7 neighborhood meetings in Pitesti, Focsani.

COMPONENT IV.A. Municipal infrastructure credit

ACTIVITY MONITOR

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 1: Identify and assist up to three cities to access and manage loans from international finance institutions</i>		
Identify candidates for borrowing and assist them to access and manage credit	<ul style="list-style-type: none"> • Creditworthiness reports for 3 cities • Infrastructure project management workshop • International finance institutions procedures workshop • TA provided for developing financial indicators to support credit applications • Evaluation of results of integrated assistance in target cities 	<ul style="list-style-type: none"> • Projects marketed to five banks (Reifeissen, ABN AMRO, Alpha Bank, Volksbank and Savings Bank). • Creditworthiness report completed in Targu Mures, Ploiesti and Mangalia. • The two workshops were conducted. • Targu Mures assisted to issue bonds. • Brasov, Oradea, Focsani and Pitesti assisted to attract financing for priority capital improvement project from domestic banks.
<i>TASK 2: Investigate and report on opportunities to integrate municipal infrastructure credit activities with USAID's Energy Efficiency Projects (EEP), and the Stability Pact Regional Infrastructure Project (RIP)</i>		
Investigate and report on opportunities to cooperate with EEP and RIP	Report to USAID by 1/31/02	<ul style="list-style-type: none"> • Risk analysis on Medgidia operation carried out and report submitted to USAID. • Information exchange established between LGAP and RIP (financial indicators and creditworthiness analysis in local government units involved in RIP, and the RIP project in Constantia) to support the integrated technical assistance and LGAP municipal services policy work. • Upon EBRD's request, a copy of LGAP creditworthiness report in Targu Mures and Ploiesti as well as information on municipal services' policy work was submitted to the Bank.
<i>TASK 3: Assure citizen input on relevant issues such as tariff restructuring, infrastructure investment planning, and other issues as they arise</i>		
(This task covered by activities listed under Component IV, Task 3, above)		

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 4: Develop and implement a strategy for institutionalizing TA on credit through the Center for Municipal Credit Advice and Assistance (CICAP)</i>		
Develop and implement a strategy for institutionalizing TA on credit through CICAP	<ul style="list-style-type: none"> • Assist CICAP to develop a business plan • Provide training for CICAP staff (see above: Component II, Task 2) • Assist CICAP to finalize Municipal Debt Manual • Evaluate CICAP performance and make recommendations 	<ul style="list-style-type: none"> • Business plan submitted by CICAP to RTI and reviewed by the CICAP's advisory committee. • Under CICAP's umbrella, the 8 targeted local government units presented their priority projects to banking community (June 14, 2002). • CICAP staff trained by expatriate consultants. • Evaluation with recommendations completed. • Municipal Debt Manual canceled.

COMPONENT IV.A. Municipal infrastructure credit

RESULTS REPORT

EXPECTED RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
<i>TASK 1: Identify and assist up to three cities to access and manage loans from International Finance Institutions</i>					
Selected local governments have implemented enhanced forecasting techniques, capital improvement (investment) planning	# cities implementing CIP	15	17	18	Project database
	# cities implementing improved monitoring of utility company performance	3	5	5	Project database
	# credit applications submitted by cities to financing institutions / bond issues	2	5	6	Project database
	# cities completing creditworthiness reports	0	2	3	Project database
<i>TASK 2: Investigate and report on opportunities to integrate municipal infrastructure credit activities with USAID's Energy Efficiency Projects (EEP), and the Stability Pact Regional Infrastructure Project (RIP)</i>					
LGAP-RIP combined data collection for creditworthiness assessment and database maintained by CICAP and made available to potential lenders	# cities included in database regarding financial indicators for creditworthiness assessment	36	100	70	CICAP database
	# of clients that use database	0	20	76	CICAP database usage report
<i>TASK 3: Assure citizen input on relevant issues such as tariff restructuring, infrastructure investment planning, and other issues as they arise</i>					
(This task covered by results listed under Component IV, Task 3, above)					
<i>TASK 4: Develop and implement a strategy for institutionalizing TA on credit through the Center for Municipal Credit Advice and Assistance (CICAP)</i>					
CICAP is recognized as a valuable resource for technical assistance and advice	TA assignments	0	3	2	Project database
	Workshops delivered	4	6	6	Project database
	Municipal Debt Manual distributed to potential clients	0	1	0	Project database

COMPONENT IV.B. Municipal management

ACTIVITY MONITOR

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 1: Deliver technical assistance in financial management and program/performance budgeting methods and techniques</i>		
Deliver TA in public management topics to selected local government units via the Integrated Assistance Program	Provide TA to each of the selected local government units on one or more public management topics (choice of topics to be driven by needs of each local government unit, but may include financial forecasting, resource allocation, internal control framework & audit capacity, strategic planning & capital budgeting)	TA delivered to all 8 cities selected.
<i>TASK 2: Assistance to the targeted units of government in municipal management and service delivery</i>		
Conduct management seminars for leaders of local government units included in the Integrated Assistance Program	Conduct series of small group seminars on management, dealing with topics such as team development, human resource development, delegating, management by objectives	Three management seminars for the leaders of local government units included in the Integrated Assistance Program were delivered focusing on the following issues: team development and delegation of authority, financial management, and human resources management.
<i>TASK 3: Identify means of providing cost-effective information and assistance to other local government units desiring assistance in implementing program/performance budgeting practices</i>		
Cooperate with professional associations to provide assistance on program budgeting practices	Assist at least one professional association to plan and begin a TA program to teach program budgeting practices	<ul style="list-style-type: none"> The Professional Association of Economic Directors from the County Councils, AMR, and Communes developed a TA program for program budgeting. The first training session was organized by the Association of Economic Directors from County Councils. The experience gained in three years of LGAP in program budgeting was disseminated in three additional cities by trainers managed by the associations.

COMPONENT IV.B. Municipal management

RESULTS REPORT

EXPECTED RESULTS	PERFORMANCE INDICATORS	BASELINE	TARGET	TO DATE	DATA SOURCE
TASK 1: Deliver technical assistance in financial management and program/performance budgeting methods and techniques					
Selected local governments have implemented enhanced methods of program/performance budgeting and other methods and techniques agreed to in MOUs with cities	# local government units exhibiting improved methods and techniques agreed to in the MOUs:	5	8	8	Project database
	• Program budgeting	1	2	2	
	• Personnel performance appraisal	8	9	9	
	• Setting & collecting local taxes and fees	1	2	2	
	• Performance auditing				
TASK 2: Provide assistance to the targeted units of government in municipal management and service delivery					
• Selected local government units have improved service delivery as a result of changes in management practices • Local government units have formally adopted policies on the delivery of critical public services	• # local government units exhibiting improved service delivery	2	3	3	
	• # local government units adopting service delivery policies	1	2	2	
TASK 3: Identify means of providing cost effective information and assistance to other local government units desiring assistance in implementing program/performance budgeting practices					
Local consultants have advised local governments on program budget practices	# local government units assisted by local consultants	1	4	4	

COMPONENT IV.C. Information technology

ACTIVITY MONITOR		
ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 1: Support & training for local government personnel to use new information generation capability for decision making (3 selected local government units via Integrated Assistance Program)</i>		
TA in identification of management information needs	Information needs identified for at least 2 managers in each city receiving this type of assistance	Information needs identified for one manager in the following cities: Focsani, Targu Mures, and Pitesti
TA how to develop and implement reports	At least 2 management reports generated with LGAP assistance in each city with information needs identified	Management reports generated in the following cities: 2 reports in Focsani; 1 report in Targu Mures; 2 reports in Pitesti; 1 fiscal policy modeling application in Oradea
Training in generating reports	1 information system specialist trained in generating reports in each city assisted	Information specialists trained in report generation in the cities of Targu Mures and Oradea
<i>TASK 2: Develop system requirements for the future development of an integrated budget and accounting system</i>		
Development of system analysis document: <ul style="list-style-type: none"> • Identification of task group members • Organization & planning of task group activities • System analysis activities • Document drafting 	<ul style="list-style-type: none"> • At least 10 local government professionals involved in task group • At least 4 regular meetings of the task group • System analysis document finalized by end of August 2002 	<ul style="list-style-type: none"> • 12 local government unit professionals involved in task group • 4 regular meetings of task group held • Achieved
Dissemination of system analysis: <ul style="list-style-type: none"> • Presentation before software developers at ANIAP annual conference • Dissemination to local government units 	Meetings with at least 10 software companies to present system analysis	Meetings held with 10 companies: Scala, Sobis, APLink, WestRapidSoft, Advanced Technology Systems, Bcom Software, Asesoft International, QCT Connect, IT Systems, Softwin
	100 municipalities and 41 county councils receiving system analysis document	All local government associations and 14 municipalities and county councils received the system analysis; ANIAP received 40 copies to further distribute to interested local government units

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 3: Develop the system requirements for the development (or modification) of future (or existing) integrated revenue/tax, billing and collection systems</i>		
Development of system analysis document: <ul style="list-style-type: none"> • Identification of task group members • Organization & Planning of Task Group Activities • System analysis activities • Document drafting 	<ul style="list-style-type: none"> • At least 15 local government professionals involved in task group • At least 4 regular meetings of the task group • System analysis document finalized by end of August 2002 	<ul style="list-style-type: none"> • 15 LG professionals in task group • 4 regular meetings of task group held • Achieved
Dissemination of system analysis: <ul style="list-style-type: none"> • Presentation before software developers at ANIAP annual conference • Dissemination to local government units 	Meetings with at least 10 software companies to present system analysis	Meetings held with 10 companies: Scala, Sobis, APLink, WestRapidSoft, Advanced Technology Systems, Bcom Software, Asesoft International, QCT Connect, IT Systems, Softwin
	100 municipalities receiving system analysis document	All local government associations and 14 municipalities and county councils received the system analysis; ANIAP received 40 copies to further distribute to interested local government units

COMPONENT IV.C. Information technology

RESULTS REPORT

SPECIFIC RESULTS	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
<i>TASK 1: Support & training for local government personnel to use new information generation capability for decision making (3 selected local government units via Integrated Assistance Program)</i>					
Formal identification of needs institutionalized	# local government units issuing formal decision for managers to identify management information needs	1	2	2	<ul style="list-style-type: none"> Oradea's internal order for department managers to fill in questionnaire related to IT needs Focsani internal order, signed off by the mayor, for department managers to fill in questionnaire related to management information needs
Development and generation of reports becomes an institutionalized practice	# reports generated after our assistance	0	3	0	There was no time before the end of LGAP to measure this indicator
Improved reporting leads to increased revenue collection and/or better resource allocation	# cities improving revenue collection	0	2	1	Targu Mures implemented tracking system for overdue receivables (improvement assumed, no hard evidence available)
<i>TASK 2: Develop system requirements for the future development of an integrated budget and accounting system</i>					
Local government units make better informed choices in selecting financial systems	# of local government units using the analysis document to include functional specifications in their RFP processes	0	3	0	There was no time before the end of LGAP to measure this indicator
Software developed by companies responds to real functional needs of local governments	# of companies announcing their intention to use the system analysis	0	3	0	Integrator and ATS Software response to questionnaire

SPECIFIC RESULTS	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
<i>TASK 3: Develop the system requirements for the development (or modification) of future (or existing) integrated revenue/tax, billing and collection systems</i>					
Local government units make better informed choices in selecting tax systems	# of local government units using the analysis document to include functional specifications in their RFP processes	0	3	2-3	RFP documents under development in Pitesti and Targu Mures (and expected in Targu Jiu) draw upon findings of the system analysis effort
Software developed by companies responds to real functional needs of local governments at a competitive price	# of companies announcing their intention to use the system analysis	0	3	2	Meetings and communication with Scala Romania and Bcom Software; Integrator and ATS Software response to questionnaire

COMPONENT V. Economic development

ACTIVITY MONITOR		
ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 1: Develop a strategy that clearly establishes the programmatic interrelationships of the elements of LED, in order to provide focused assistance on priority actions that produce results in the three UPLED cities</i>		
Develop and implement an economic development program strategy in UPLED cities	Action Plans for projects in UPLED cities consistent with LED strategy	<p>According to the action plans for UPLED cities projects, derived from their strategies, the following steps were implemented:</p> <ol style="list-style-type: none"> City of Focsani <ul style="list-style-type: none"> Local Council decision on dialogue groups for LED strategy and on their internal regulation. Local Council decision on advisory group for local development. Design program for the revitalization project. Cost analysis of different divisions of the penthouses. Analysis of alternative funding options. Documents of the project for a pilot four-story building submitted to National Housing Agency (ANL). In completion: <ul style="list-style-type: none"> Pre-feasibility study for a pilot four-story building carried out by ANL. Urban regulations on building mansards. Package of legal aspects of the use rights. Guidebook for revitalizing blocks of flats by building mansards. City of Iasi - PPP in revitalization of an inner-city street: <ul style="list-style-type: none"> Stakeholder survey along the pedestrian street, conducted. Comparative real estate market analysis with other zones in the city. Potential projects identified. Small projects' feasibility studies initiated. City of Oradea <ul style="list-style-type: none"> Government decision in August 2002, based on pilot project for metropolitan area in Oradea, MLPTL funded; with the support of this act, Bucharest and first rank cities can organize metropolitan areas. Two applications for SAPARD infrastructure: communes Nojorid and Sanmartin and communes Santandrei and Bors. Four communes signed a partnership agreement with the city of Oradea for a sanitary landfill and for solid waste collection. Four communes signed as shareholders (1-3%) in the

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
		<p>Metropolitan Gas Company, along with the city of Oradea.</p> <ul style="list-style-type: none"> • Technical department of the metropolitan area in place (2 employees) within API Oradea. • Metropolitan area has a web site within API site. • Signed agreement for completing the photogrammetric plan of the metropolitan area – funded by MLPTL.
<i>TASK 2: Bring the cities and funding sources together, by putting together an integrated package of assistance to the three target cities</i>		
Assist selected cities to investigate sources of project funding and prepare project proposals	UPLED cities are in contact with possible funding sources and assisted to prepare applications	<ul style="list-style-type: none"> • The update of the donor survey was provided to all the cities involved in LGAP. • Cities were helped to match their priority projects to the appropriate funds: <ul style="list-style-type: none"> - Pitesti - Strand Park development - Ploiesti and Focsani - food markets - Oradea and Brasov - ring roads - Mangalia and Targu Mures – historic sites economic revitalization. • Oradea - two applications for SAPARD, infrastructure, in partnership with communes.
<i>TASK 3: The Contractor shall develop and implement a strategy to rely more on Romanian professionals to implement this component and less on short-term expatriate consultants</i>		
Local consultants teamed with LGAP Specialists and expatriate consultants and mentored in LED assistance in UPLED cities	Local consultants mentored, trained and used as consultants and entered into consultant database organized by specialization	<ul style="list-style-type: none"> • Local consultants list posted on the LGA web site. • 5 LED consultants certified.
<i>TASK 4: Public/private partnerships offer the potential for tying private sector resources to public sector asset development and service delivery. The Contractor shall pursue opportunities to spread information on the techniques of public-private partnerships</i>		
Promote techniques for use of public/private partnerships in economic development	Demonstration of PPP techniques in projects in 2 UPLED cities	PPP session included and delivered within the Urban Marketing Practicum No. 2 to the participant cities; final UMP Roundtable (Sep. 19, 2002) brought together the LED priority projects of the UMP cities and the private sector representatives.
	LGA web site provides PPP info and links	UMP cities have prepared the package of information for the extension of current web sites.
	PPP information distributed to professional associations	PPP information included in the LGAP CD.

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
<i>TASK 5: The Contractor shall analyze the LED component, including methodology, obstacles to achieving results, prerequisites for success, and other factors deemed important, and propose options to USAID for development of a LED program in the next contract</i>		
Analyze the LGAP economic development program and propose future programming options	Develop an options paper and present to USAID	<ul style="list-style-type: none"> • The LED options paper is posted on the LGA web site. • The LED options paper was distributed to the associations of municipalities of Romania and in September to the relevant ministries.
<i>TASK 6: The Contractor will develop and promote opportunities for citizens to become actively engaged and informed in policy development and debate. Activities might include citizen advisory boards and public hearings, both at the council level and the executive level</i>		
Covered by activities under Component IV, Task 3	See Component IV, Task 3	<ul style="list-style-type: none"> • The framework for an LED citizens advisory board was developed. • Local Council of the city of Pitesti approved the structure of LED-citizens advisory board. • The city of Focsani runs a formal process for involving citizens in establishing priorities for service improvements at the neighborhood level. • The Local Councils of the cities of Pitesti, Ploiesti, Targu Mures, and Mangalia approved the LED citizens advisory board.
<i>TASK 7: The Contractor will identify economic development activities and provide technical assistance in the units of local government receiving integrated technical assistance under Component IV</i>		
Deliver TA in economic development topics to selected local government units via the Integrated Assistance Program	In non-UPLED assisted cities, local government units will approve LGA methodology for city marketing strategies	<ul style="list-style-type: none"> • All Urban Marketing Practicum (UMP) cities completed market oriented strategies and priority projects. • Targu Mures presented the strategy and the main development guidelines and LED priority projects to the private sector representatives. • The mayor of the city of Ploiesti presented the strategy and priority projects at a "power breakfast," on July 2, 2002. • The development strategy guidelines were included within the <i>Report to the Citizens of Ploiesti</i>. • Brasov, Zalau, Gheorgheni and Baia Mare joined the UMP. • Brasov set up its own economic development team and developed the economic development audit, according to UMP guidance. • Mangalia, Pitesti, Ploiesti, and Targu Mures developed and approved the local development strategies, within the Local Council meetings. • The strategies and the priority projects were presented to the private sector at a roundtable on September 19, 2002.

ACTIVITY	EXPECTED OUTPUT	ACCOMPLISHMENTS TO DATE
		<ul style="list-style-type: none"> Brasov plans to present the draft of the strategy and the priority projects.

COMPONENT V. Economic development

RESULTS REPORT

SPECIFIC RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
<i>TASK 1: Develop a strategy that clearly establishes the programmatic interrelationships of the elements of LED, in order to provide focused assistance on priority actions that produce results in the three UPLED cities</i>					
UPLED cities have selected and implemented priority activities from their strategic economic development plan	• # cities with priority projects based on strategic plans	0	3	3	• Strategic plans
	• # cities where Local Council approves projects	0	2	3	• Local Council minutes
	• # cities where project has specific results identified	0	2	2	• Action plans
	• # cities where agreements with local implementing partners negotiated & signed	0	1	1	• Agreements with partners
	• # cities where project implementation commences	0	1	2	• Project database
	COMPOSITE SCORE:	0	12	11	
<i>TASK 2: Bring the cities and funding sources together, by putting together an integrated package of assistance to the three target cities</i>					
Funds for projects located	Applications submitted to financing sources	0	3	4	Applications
<i>TASK 3: The Contractor shall develop and implement a strategy to rely more on Romanian professionals to implement this component and less on short-term expatriate consultants</i>					
Local consultants increasingly participate in all economic development activities	Ratio of Romanian to expatriate consultants (inclusive of consultants in Component IV who work on economic development activities)	5:6 Rom:Expat	10:5 Rom:Expat	11:5 Rom:Expat	Project database

SPECIFIC RESULT	PERFORMANCE INDICATOR	BASELINE	TARGET	TO DATE	DATA SOURCE
<i>TASK 4: Public/private partnerships (PPP) offer the potential for tying private sector resources to public sector asset development and service delivery. The Contractor shall pursue opportunities to spread information on the techniques of PPP</i>					
Cities use PPP techniques in projects; local governments made aware of PPP techniques	<ul style="list-style-type: none"> # projects incorporating PPP techniques LGAP publicizing PPP techniques via guides, CDs and web site 	0	2	2	Agreements with local partner associations; publication in guides, CDs & web sites
<i>TASK 5: The Contractor shall analyze the LED component, including methodology, obstacles to achieving results, prerequisites for success, and other factors deemed important, and propose options to USAID for development of an LED program in the next contract</i>					
Develop an economic development options paper	Paper submitted to USAID	0	1	1	Project database
<i>TASK 6: The Contractor will develop and promote opportunities for citizens to become actively engaged and informed in policy development and debate. Activities might include citizen advisory boards and public hearings, both at the council level and the executive level</i>					
(This task covered by results listed under Component IV, Task 3, above)					
<i>TASK 7: The Contractor will identify economic development activities and provide technical assistance in the units of local government receiving integrated technical assistance under Component IV.A</i>					
Non-UPLED assisted cities will develop and approve city marketing strategy	# cities with council-approved city marketing strategy (including citizen participation)	0	4	4	Local Council records

Appendix B

LGAP Status Reports for Each Target Local Government Unit

City of BAIA MARE

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
1	Funding an investment project	Project finance – municipal bonds	Completed. After discussing the various aspects of the bonds issuance process, the city decided to postpone the issuance of bonds for next year	The city selected priority projects to finance by debt issuance; the city understood the risks and advantages of bonds issuance and decided to proceed with bonds on the market during the next fiscal year
2	Internal management system improvement	Internal management system improvement	Completed	<ul style="list-style-type: none"> • Strengths, weaknesses, opportunities, threats (SWOT) analysis of all the reports done by the personnel from all the departments of the city hall • Recommendations for the improvement of the internal management tools
3	Identification of the need for information for managing the activities of the city hall	Identification of the need for information for managing the activities of the city hall	Canceled by LGAP	
4	Development of electronic reports for financial management	Development of electronic reports for financial management	Canceled by LGAP	

City of BRASOV

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
1	Improvements in local fiscal policies	Improvements in local fiscal policies	Completed	Local Tax Assessment and Collection Procedure Manual
2	Feasibility study for a city geographic information system	Feasibility study for a city geographic information system	<ul style="list-style-type: none"> Information needs survey completed Development of feasibility study report in progress 	Survey forms
3	Not in the MOU	Elaborating the city marketing strategy	<ul style="list-style-type: none"> CIP finalized at the end of September Strategy draft to be submitted to Local Council for approval by the end of 2002 Citizens consultations on the strategy matter initiated Social survey on strategy elaboration to be conducted from September to the end of 2002 In preparation: roundtable for initiating an annual fair for development projects of municipalities 	<ul style="list-style-type: none"> To be completed for the information package for public and private partners in LED: <ul style="list-style-type: none"> City development strategy draft Priority projects The documents prepared within this project will provide LED information for upgrading the city hall web site Local Development Agency (LC Decision 2001) to be used as support for institutionalizing the strategy
4	Not in the MOU	Funding an investment project; project finance – bank loan	LGAP assisted the city in preparing a project presentation for the banking community. Two banks are interested in financing the “ring road project”	Presentation of investment projects to banks

City of FOCSANI

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
1	Drawing up of a medium-term (3-5 years) investment program	Drawing up of a medium-term (3-5 years) investment program	Completed (Florentina)	LGAP assisted the city in drawing up a medium-term investment program for a 5-year period (2003 - 2007)
2	Strategy for contracting local public debt	Strategy for contracting local public debt	Canceled. This project was tightly linked to the CIP completion; as the progress with the CIP was slow, there was not enough time to start with a debt strategy and be able to complete it in due time	
	Not in the MOU	Funding an investment project; project finance – bank loan		LGAP assisted the city in preparing a project presentation for the banking community. Two projects were promoted: a district heating project and a building rehabilitation project. One bank is interested in financing the “heating” project
3	Program budgeting	Program budgeting for the CIP with citizen participation elements	Completed. Citizens advisory committee debated the first draft of the 2003 budget. A budget public hearing was held September 26, 2002	<ul style="list-style-type: none"> • Program budgeting used for preparation of CIP and solicitation of citizen opinion • Local council decision to create citizens advisory committee to operationalize adopted city development strategy developed under UPLED including projects at neighborhood level
4	Identification of the need for information for managing the activities of the city hall	Identification of management information needs	Identification of needs started through questionnaire distributed to all department heads	Questionnaire for identifying management information needs

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
5	Development of electronic reports for management	Development of new financial management reports	Two new reports developed and implemented: a) tracking of expenditures by departments and b) tracking of expenditures by capital projects	Software application and instructions manual
6	Public-private partnership for revitalization of apartment blocks	Public-private partnership for the revitalization of an apartment building	<ul style="list-style-type: none"> • Completed • Focsani has developed a citywide program to revitalize blocks of flats by adding Mansard units • Funding proposal for a pilot project submitted to the National Housing Agency (ANL). ANL undertaking a pre feasibility study. • Ongoing activities by the city include: <ul style="list-style-type: none"> - Guidebook for revitalizing blocks of flats - Urban regulations to streamline the process of adding Mansard units. - Legal framework for cooperation between investors and unit owners • Ongoing engagement of citizen advisory committee and the Local Council to refine and promote the revitalization program 	<ul style="list-style-type: none"> • Dialogue groups engaged in definition of the revitalization program. Media coverage to promote the program • Program structure and incentives for attracting different partners identified • Financial options developed for different types of partnerships. Analysis of alternative funding options • Technical and price studies for different configurations of apartments and building improvements • City team presentations on the program in a national seminar of housing revitalization and to the Ministry of Public Works
7	Citizen Advisory Committee	Creation of Citizen Advisory Committee(s) to implement City Development Strategy developed under UPLED Program	<p>Six neighborhood dialogue groups comprised of local residents and City Councilors.</p> <p>Citywide Citizen Advisory</p>	Dialogue Groups engaged in identification of neighborhood priorities, Capital Investment program and smaller projects funded via operating budget.

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
			Committee representing six neighborhood dialogue groups formed to advise City Hall.	<p>Local Council Decision on forming Advisory Group for local development.</p> <p>Citywide CAC advising City Executive on implementation of Program Budgeting, Capital Investment Plan and Housing Revitalization Program.</p>

City of MANGALIA

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
1	Creditworthiness analysis report	Creditworthiness analysis report	Completed	Creditworthiness analysis report
2	Elaborating the city marketing strategy	Elaborating the city marketing strategy	Preparations completed for roundtable for initiating an annual fair for development projects of municipalities	<ul style="list-style-type: none"> • Draft strategy approved by Local Council • LED advisory board structure approved by Local Council • To be completed for the information package for public and private partners in LED: <ul style="list-style-type: none"> - City development strategy draft - Priority projects • The documents prepared within this project will provide LED information for upgrading the city hall web site

City of ORADEA

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
1	Strategy for contracting local public debt	Debt strategy	Canceled. This project was tightly linked to the CIP completion; no progress was made on the CIP by the city due to other priorities	
2	Debt financing of an investment project from the CIP	Project finance – bank loan	Completed	<ul style="list-style-type: none"> • LGAP offered advice on the following items: level of debt that the city could consider for this year, negotiating terms and conditions for two EBRD loans • LGAP assisted the city in preparing a project presentation for the banking community. Two banks are interested in financing the “ring road project”
3	Develop system for monitoring quality of a public service (water)	Monitoring system for municipal services quality control/solid waste collection service	Completed. Citizens advisory committee was created, met periodically, and was active in data collection and follow-up	Legal and financial analysis; comments with regard to the general conditions and the possible introduction and direct collection of a new solid waste collection and disposal tariff by the Local Council of Oradea
4	Perform a system diagnosis (managerial and financial aspects only) and establish a methodology and an audit plan for the period 2002-2003	Establish a methodology for internal control and an audit plan	Completed	Audit and internal control guide for the city hall
5	Development of management information reports, including GIS	Analysis of fiscal policies and application of model	To be delivered and implemented during September 9-13	Software application

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
6	Correlation and integration of departmental databases	Integration of critical databases used by the city (with focus on street names and postal addresses)	Delayed by city	Initial report with recommendations
7	Assistance for developing an information master plan	Assistance for developing an information master plan	Survey completed and collected from departments	Information system questionnaire
8	Metropolitan area development & marketing strategy	Assistance in promoting metropolitan cooperation in Oradea	<ul style="list-style-type: none"> • Completed • Ongoing activities by Oradea include: <ul style="list-style-type: none"> - Preparation of a final agreements for metropolitan cooperation among the participating local government units in the Oradea metropolitan area - Introducing the significant elements in the urban planning legislation - Information system analyses in each commune initiated in order to create an integrated metropolitan information system 	<ul style="list-style-type: none"> • National Conference on Metropolitan Cooperation—Framework for Sustainable Development, Oradea June 2002 • Oradea metropolitan pilot initiative resulted in government decision, August 2002, to allow Bucharest and first rank cities to organize metropolitan areas • Within Oradea metropolitan region new activities resulting from the pilot initiative include: <ul style="list-style-type: none"> - Joint applications for SAPARD infrastructure: communes Nojorid and Sanmartin and communes Santandrei and Bors - Partnership agreement among four communes and the city of Oradea for the ecological landfill and solid waste collection - Four communes have signed a shareholders with

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
				<p>the city of Oradea within the Metropolitan Gas Company</p> <ul style="list-style-type: none"> - Technical department of the metropolitan area operating with two employees within API Oradea - Metropolitan area has a web site within API site - Intercommunal cooperation on issuing building permits • Signed agreement for completing the photogrammetry study of the metropolitan area—funded by MLPTL

City of PITESTI

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
1	Financing of an investment project by contracting local public debt	Project finance (issue debt as bank loan or municipal bonds)	Completed	LGAP assisted the city in selecting a project for debt financing, provided information on the bonds issuance procedure, and assisted the city to prepare a presentation for the banking community. Two banks are interested in financing the “food market project”
2	Development of a system for monitoring the quality of the local public services	Monitoring system for municipal services quality control/water service; citizen participation elements included	Completed. Neighborhood meetings held for data collection	Regulations regarding delivery of water supply and sewerage services, as part of the concession agreements to be concluded between the municipality and the water utility
3	Program budgeting	Program budgeting/public sector maintenance department; citizen participation elements included	Completed	<ul style="list-style-type: none"> • Program budgeting for the Public Domain Office • Set of quality indicators for this office within the city hall
4	Improvement of the system for evaluation of the staff	Improvement of the system for evaluation of the staff	Completed	Methodology for the staff evaluation changed according to the new legislation that comes into force beginning January 2003
5	Identification of the information necessary for the management of the city hall activities	Identification of management information needs	Canceled by LGAP	
6	Development of electronic reports for financial management	Development of new financial management reports	In progress	Electronic reports

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
7	Purchasing of the software for the management of local taxes and fees	Assistance in selecting and implementing a new tax collection IT system	<ul style="list-style-type: none"> • Developed assessment criteria for pre-assessment of systems available on the market • Conducted assessment of several systems • Developed RFP documentation 	<ul style="list-style-type: none"> • Assessment criteria schedule • Draft RFP documentation (including model contract)
8	Analysis of integrated software for the city hall	Analysis of integrated software for the city hall	Canceled by LGAP	
9	Participation by managers in a seminar on information management	Participation by managers in a seminar on information management	Canceled by LGAP	
10	Drafting of the marketing strategy for the Pitesti municipality	Elaboration of urban marketing strategy	<ul style="list-style-type: none"> • In preparation: roundtable for initiating an annual fair for development projects of municipalities • In preparation, with citizens' information center: consultation with citizens 	<ul style="list-style-type: none"> • LED advisory board and LED office approved by Local Council – first meeting in August • Draft strategy discussed within Local Council commissions; to be submitted to Local Council for approval at September meeting • To be completed for the information package for public and private partners in LED: <ul style="list-style-type: none"> - City development strategy draft - Priority projects • The documents prepared within this project will provide LED information for upgrading the city hall web site

City of PLOIESTI

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
1	Funding an investment project	Project finance – municipal bonds	Completed	LGAP assisted the municipality in selecting the projects for debt financing. The city decided to postpone the bonds' issuance for next year
2	Report on the financial credibility of the local authority	Creditworthiness assessment report	Completed	Creditworthiness analysis report
3	Putting together the local budget based on performance indicators	Program budgeting/education department	Completed	Program budgeting in the education area for 2003
4	Identification of information needs for the management of activities in the departments included in the IT development for 2001-2002	Identification of information needs for departments included in 2002 phases of the IT contract implementation	Canceled by LGAP	N/A
5	Consulting in the field of the IT development schedule, contracted with third parties	Assistance in implementing current IT contract with AESFT	Assessment of contract and technical solution finalized and recommendations for improvements transmitted to project manager and mayor	2 reports (one by Marius Ienculescu and one by Mirel Stanescu - contracted consultant)
6	Drafting the methodology for the urban marketing strategy	Preparation of urban marketing strategy	In preparation: roundtable for initiating an annual fair for development projects of municipalities	<ul style="list-style-type: none"> • Strategy included in the White Chart of Ploiesti, integrated with Local Agenda 21 approach • LED advisory board and LED technical commission within city hall structures - mayor's order • To be completed for the information package for public and private partners in LED:

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
				<ul style="list-style-type: none"> - City development strategy draft - Priority projects • The documents prepared within this project will provide LED information for upgrading the city hall web site

City of TARGU MURES

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
1	Debt financing of an investment project from the CIP	Project finance – municipal bonds for “Gheorghe Doja” road rehabilitation project	Completed. Public campaign on bond issuance started	Draft prospectus completed
	Not in the MOU	Creditworthiness assessment report	Completed	Creditworthiness analysis report
2	Improvement of the system of establishment and collection of local taxes and fees	Improvement of the system of establishment and collection of local taxes and fees	Completed	Tax Assessment and Collection Procedure Manual
3	Generation of reports of analysis of the tax activities	Development of management reports on fiscal activities / tax department	<ul style="list-style-type: none"> Implemented data export software for exporting VENIS data Development of management reports under progress 	<ul style="list-style-type: none"> "VENDEC" Data Export & Conversion Software Software application for tracking overdue tax
4	Purchasing of a new software for managing local taxes and fees	Assistance in selecting and contracting a new tax system	Developed draft RFP documentation	<ul style="list-style-type: none"> Report with recommendations for Finance Director Draft RFP
5	Drafting the IT strategy	Assistance for developing information strategic guidelines/ information master plan	Canceled by LGAP	
6	Use of IT for the information of the local councilors	Feasibility study for an information system for local councilors	Canceled by LGAP	

Project No.	Original name of the project under the MOU	Current project	Status	Products/Deliverables
7	Development of the methodology for drawing up the urban marketing strategy	Preparation of urban marketing strategy	In preparation: roundtable for initiating an annual fair for development projects of municipalities	<ul style="list-style-type: none"> • Strategy and priority projects drafted, to be approved by Local Council, in September • LED advisory board structure to be finalized by the end of August and submitted for approval to Local Council in September • To be completed for the information package for public and private partners in LED: <ul style="list-style-type: none"> - City development strategy draft - Priority projects • The documents prepared within this project will provide LED information for upgrading the city hall web site

Appendix C

List of Project Documents for the Third Year

Association Development

1. Grant award process, procedures, monitoring and evaluation
2. Strategic framework for local government associations
3. Accessing international funds: Proposal writing and program management
4. Protection of children in distress: A current perspective on the issue

Budgeting and Public Management

1. Program budgeting methodology for Focsani
2. Audit manual for Oradea
3. Set of performance indicators for the education sector in Ploiesti
4. Local tax procedures manual for Targu Mures

Municipal Credit and Finance

1. Creditworthiness report (Ploiesti, Targu Mures and Mangalia)
2. Draft prospectus for bonds issue (Targu Mures)
3. Oradea solid waste services: Legal analysis

Citizen Participation/Citizen Information

1. Citizen participation in the decision making process. Training manual
2. Training-of-Trainers manual

Policy Reform

1. Integrated Policy Paper
2. Fiscal Decentralization in Romania: Policy Reform Directions for the Short and Medium Term
3. Municipal Credit and Finance in Romania: Policy and Legal Framework; Restatement January 2002
4. Municipal Services Delivery in Romania: Policy Reform Directions for the Short and Medium Term

5. Legislative Analysis of Romanian Parliament (September 2001 – June 2002)

Information Technology

1. System Analysis for an Integrated Financial System for Local Governments: Documentation
2. Model RFP Documentation for Tax System Acquisition
3. Lugoj IT Master Plan (model)
4. List of Internet Resources Developed by LGAP

Local Economic Development

1. Economic Development Option Paper
2. Assessment of Local Environment for Economic Development: Framework
3. UMP Cities: Strategies and Priority Projects
4. UPLED case studies (mansard project, Focsani; inner-city street revitalization, Iasi; Oradea metropolitan area development)
5. Urban Marketing Training Manual

Appendix D

Consultants Certified as Part of LGAP

Nr. Cert. No.	Name	Field of expertise	Contact (tel/e-mail)
Association Development			
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7	Paula Catana	Budget & Public Management	Alexandria_tr@yahoo.com Tel: 0744-328-256
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12	Valentin Miron	Municipal Credit and Finance	Tel: 0722/ 687.831 email - valentin.miron@vmbpartners.ro
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25	Sorin Militaru	Software Development	smilitaru@bitomic.ro tel: 0722 794420